Daily Report

Latin America

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FBIS-LAT-90-180 *17 September 1990*

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Venezuela, Mexico Say No Reduced Oil Prices

PA1509041690 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 15 Sep 90

[Text] Delegations from Venezuela and Mexico have participated in a special meeting of the follow-up committee of the San Jose Agreement. Energy and Mines Minister Celestino Armas led the Venezuelan delegation, while Engineer Alberto Escofet Artigas, the Mexican deputy secretary of energy, mines, and parastatal industries, headed the Mexican representation.

The talks centered on the current international situation and its effects on oil prices, as well as on seeking contingency plans to help countries benefited by the agreement cope with the increase in the price of oil supplies received within the framework of that agreement.

An important aspect of today's meeting was the study of two possibilities: One possibility is to return to the original conditions of the San Jose Agreement, according to which the proportional payment of oil bills would be 30/70 percent. In other words, countries would again pay 30 percent in cash and 70 percent through credits obtained from the Mexican and Venezuelan Investment Funds.

The other possibility is to convert the debt accumulated so far through credits to finance oil shipments—which according to unofficial reports totals more than $500 million—into investments in the debtor countries. In that manner, Mexico and Venezuela could justify those credits by investing part of the debt in that same region, taking advantage of the benefits that this form of payment could have for the two countries.

In that regard, Engineer Alberto Escofet Artigas said that both possibilities are being studied. However, he stressed that it was clearly established that under no circumstances will Mexico or Venezuela reduce their oil prices to grant more favorable conditions, as that would be against the sales and commercial activities in each country.

It is worth mentioning that Mexico and Venezuela currently supply a total of 130,000 barrels per day—half from Mexico and half from Venezuela—to all the Central American and Caribbean countries.

The final solution to the credit problem will be announced at a news conference on 17 September. It is expected that a provisional and alternate plan will be implemented during the Middle East crisis so that the countries included in the San Jose Agreement may continue receiving their oil supplies and at the same time face the current high petroleum prices.

Meanwhile, a reply concerning the proposal for converting the accumulated debt of the Central American and Caribbean countries into investments will be announced on 30 October.

ICJ Accepts Nicaraguan Role in Border Dispute

PA1409230990 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Sep 90

[Text] The International Court of Justice [ICJ] in The Hague today authorized Nicaragua to participate in the case of the border dispute between Honduras and El Salvador. The case is being heard by the ICJ.

The decision comes after the Nicaraguan Government asked the court in November 1989 for authorization to participate in the arguments in the case because it believes its rights in the Gulf of Fonseca and the contiguous maritime spaces must be protected. Nevertheless, the ICJ's decision does not mean that Nicaragua will become a litigant. Instead, it will only participate in the analysis of the court's examination of the legal aspects of the maritime spaces in the Gulf of Fonseca.

This is the first time in the ICJ's history that it has accepted a request from a nonlitigant state to participate in a case affecting other nations.

Reacting to this decision, Honduran Foreign Minister Mario Carias Zapata said this afternoon that Honduras is not surprised by the decision and that its government is not opposed to Nicaragua's participation.

Cuba

UN Envoy Comments on Humanitarian Aid to Iraq

PA1509161190 Havana International Service in Spanish 0100 GMT 15 Sep 90

[Italicized passages are recorded]

[Text] On 13 September, the UN Security Council rejected a draft resolution presented by Cuba, which was supported by the PRC and Yemen. The resolution excluded humanitarian, medical, and health assistance needs from the economic sanctions imposed against Iraq.

The Cuban draft resolution aimed to defend the access to food and medical assistance and prevent the use of those human rights as political weapons. That document was rejected by the United States, Great Britain, France, Finland, and Canada; seven countries abstained and two voted for it.

This proposal is based on principles that oppose the other proposal that could indeed contribute to using food for political purposes. Instead of the Cuban humanitarian proposal, the UN Security Council has adopted a document stating that the Sanctions Committee will determine humanitarian aid for local and foreign residents in Iraq and Kuwait.

Exercising his right to speak at the UN Security Council, Ricardo Alarcon, Cuba's permanent representative before the UN Security Council, expressed disagreement with the document approved by the UN Security Council:

[Alarcon] *For Cuba, the very idea that there could be an attempt to exploit hunger, deprive people of an absolutely basic right of all human beings anywhere in the world and under any circumstances, and deprive people of their right to secure appropriate nourishment and medical assistance is completely unacceptable. We do not believe that anyone has the political, legal, or moral authority to apply any inhuman measures such as those that affect only and exclusively innocent civilians such as those involved in the case that I am discussing.*

We must also recall, Mr. President, that this resolution has a specific framework; it has its own history. The Security Council was prompt. It acted with singular vigor—as never before—when it came to adopting full-range sanctions against Iraq and Kuwait. It also acted promptly to adopt Resolution 665—whose legality is, to say the least, completely questionable, and to be more exact, more completely in violation of our organization's charter—which calls for the continuation of, or continued deployment of, military forces in the Gulf region in an attempt to impose, even by force, all the sanctions applied against Iraq and Kuwait.

However, Resolution 661 at least made reference to the possibility of supplying food in humanitarian cases. Since the day it was adopted—to be more exact, on the day when the committee tasked with ensuring the application of the sanctions was established—we have dedicated countless hours to define what the criteria used by the Council should be to interpret the clauses of Resolution 661.

During his speech, the Cuban ambassador to the United Nations, exercising his right to speak at the UN Security Council, pointed out that the document that determines that the Sanctions Committee will be tasked with deciding humanitarian aid to national and foreign residents in Iraq and Kuwait does not specify what could be the fate of 100,000 Sri Lankans trapped in Kuwaiti territory, who have not yet been told how to obtain food.

Alarcon said that Security Council debates in August moved along swiftly, but now, when we are called to ease human suffering, this group is moving very slowly.

[Alarcon] *We hope that the Council will henceforth act as promptly as it did in August when it worked with such urgency to face these very grave problems that so many innocent people are enduring.*

Frankly, I can find no special reason to feel confident in this sense. This same Council has also received a number of requests—also urgent ones—under the umbrella of Article 50 of its charter, asking us to adopt certain decisions to help ease the serious problems facing countries other than those we have already mentioned several times.

So far the list includes 10 member states of this organization headed by Jordan. We might set a slowness record to contrast with the speed that characterized our actions in August. It will soon be one month since the distinguished permanent representative of Jordan submitted a detailed document to inform this council about the very grave economic and social consequences for his country that stem from the implementation of the sanctions established by Resolution 661.

Finally, the Cuban representative before the United Nations pointed out:

[Alarcon] *Mr. President, my delegation firmly believes that the conflict stemming from the Iraqi invasion of Kuwait must be resolved by the immediate and unconditional withdrawal of Iraqi troops from Kuwait. It firmly believes that the full sovereignty, territorial integrity, and independence of Kuwait must be immediately restored.*

It believes that the people from other countries who are in Iraq or Kuwait have rights that nobody should obstruct, limit, or affect; they have a right to leave and return to their country, a right to appropriate nourishment, and a right to all other conditions of a dignified life. However, we also believe that the people of Kuwait, the civilian population of Iraq, and the nationals of third states who are in the area—although these states have the disgrace of belonging to the Third World and not the world of the rich—have the same rights.

We are not willing to support any action that continues to overlook the drama for which those who created this

conflict are responsible. However, this Security Council is also responsible for adopting the measures that it did, and for failing to take into account the problems that these measures would create for innocent people.

Mr. President, this is why we presented a draft resolution that we had hoped you would approve. If that draft is reviewed, you will notice that besides some textual citations from our organization's charter, we pointed out a principle, which—although it failed to receive the necessary votes—continues to be a principle that no one has a right to disregard: the access to basic staples and appropriate medical assistance. This is a basic human right that must be protected no matter what happens.

U.S. Accused of Noncompliance With Sanctions

FL1509004590 Havana Television Service in Spanish 0000 GMT 15 Sep 90

[Text] At the UN General Assembly today, Cuba supported the need to immediately implement the declaration and action plan to put an end to apartheid (?in South Africa). Cuban Ambassador to the United Nations Ricardo Alarcon demanded that the South African Government take profound steps to make possible a frank exchange of views with the country's political organizations.

Alarcon called on all nations to respect strict compliance with the declaration and action plan ratified in December 1989, and denounced that the U.S. Administration collaborates with the apartheid regime by not complying with the sanctions imposed by the United Nations on South Africa.

Havana To Attempt To Join San Jose Pact

PA1509144390 Mexico City NOTIMEX in Spanish 0215 GMT 15 Sep 90

[Text] Mexico, 14 Sep (NOTIMEX)—Cuba will try to join the San Jose Pact or to reach a provisional oil agreement with Mexico and Venezuela to meet its energy demands for as long as the Persian Gulf conflict lasts.

Luis Suarez Salazar, director of the Latin American Research Center in Havana, made the statement during a news conference held at the Matias Romero Institute for Diplomatic Studies.

The specialist pointed out that his country would tighten its relations with Venezuela and Mexico, the leading oil producing nations in Latin America, to discuss its possible short-term admittance into the San Jose Pact.

If it is not possible, he said, we would try to reach a provisional agreement with Mexico, similar to the San Jose Pact. I believe the negotiations in that regard will be successful because of the good relations that exist with those countries.

As for the Free Trade Treaty (TLC), which Mexico and the United States will sign, he said this would not affect the bilateral relations between Mexico and Cuba.

He said that Mexico could agree on certain positions with Latin America and achieve a greater negotiating ability with the United States for the benefit of the area.

The researcher said that his country maintains excellent trade relations with 21 countries of the region, which constitutes an important reserve for the solution to its economic problems.

Attempts To Join Pact Denied

PA1609045690 Paris AFP in Spanish 0405 GMT 16 Sep 90

[Text] Mexico City, 15 Sep (AFP)—The Cuban Embassy here denied today that the country had reviewed the possibility of joining the San Jose Pact, as a Cuban academician said in Mexico yesterday.

Cuba has "not taken any steps" to purchase oil within the framework of the San Jose Pact, the embassy indicated in an official communique.

"Any other information on this matter lacks any basis and has nothing to do with the government decisions regarding this matter," the document added.

Luis Suarez Salazar, director of the Latin American Research Center, said yesterday that his country "will try to strengthen relations with Mexico and Venezuela to discuss its possible admittance into the San Jose Pact."

In a news conference covered by NOTIMEX, Suarez said that "if the admittance is postponed," Cuba would seek a provisional agreement with Mexico similar to the pact.

Venezuela and Mexico each share a daily quota of 130,000 barrels of oil which they sell to Belize, Costa Rica, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, and the Dominican Republic under favorable conditions for payment.

Commentary on Results of Fuel-Saving Measures

PA1509152690 Havana International Service in Spanish 0000 GMT 13 Sep 90

[Commentary by Nancy Lopez]

[Text] Although the Cuban economy is being pressured by the current fuel deficit, its status as a nonpetroleum producer has demanded a rational use of fuel. I believe that the people's knowledge of this and other limitations of the island has contributed to ensuring that the government's measures to save fuel—in view of the USSR's difficulties in supplying Cuba—have been welcomed, approved, and supported by the majority of Cubans.

On a daily basis, the national press publishes the initial results of the restrictive measures and the instances when certain sectors of the economy and society fail to comply

with them. We are seeing encouraging results one week after the measures have been implemented. Leaders of the electric industry, for example, said that from 29 August to 4 September, the use of petroleum to generate energy was reduced by 700 tons each day.

The main savings were achieved in the residential sector, which was asked to reduce its consumption of electricity by 10 percent. State enterprises have also worked in that direction and have even partially paralyzed certain industries to guarantee fuel supplies for priority development programs, such as food and services for the population. In cases where jobs have been eliminated, the worker involved has been relocated to ensure that his status and salary is not affected.

It was also known that the steel-producing industry, one of the highest fuel consumers, decreased its consumption of energy by 18 percent during the first week this month while maintaining the established production levels. To achieve this, for example, workshifts were adjusted to ensure that they would not coincide with the time when the highest amount of electricity is required. At the same time, the consumption of fuel in ovens, steam and air [word indistinct], and other machines is carefully controlled.

The main waste is still noticeable in cargo transport because many trucks and other vehicles used for this kind of activity are circulating empty.

Although I said that the results are encouraging, the saving of fuel under the current situation is not only a necessity, but a demand to be followed by all Cubans.

More Figures on Fuel-Saving Measures

FL1509114090 Havana Tele Rebelde Network in Spanish 1100 GMT 15 Sep 90

[Text] Some 800 tons of oil have been saved every day in the country in the generation of electric power during the week of 29 August to 4 September. This was achieved because all provinces reduced their electricity consumption during that period, especially Cienfuegos, Matanzas, and Villa Clara. These territories reduced their electric power consumption by 13, 11.2, and 9.7 percent, respectively. This information was reported during a Las Tunas meeting held to deal with the fuel shortages.

CDR Cadres Discuss Call for Party Congress

FL1509122590 Havana Tele Rebelde Network in Spanish 1100 GMT 15 Sep 90

[Text] Cadres and workers of the national directorate of the Committees for the Defense of the Revolution [CDR] have discussed the call for our party's fourth congress. Division General Sixto Batista Santana, national coordinator of the CDR, presided over the meeting. Its participants held extensive debates, criticized the deficiencies, and above all, were very honest.

[Begin recording] [Unidentified delegate] An administrator has a hard time removing a bad worker from his job. If the smallest bureaucratic mistake is made and the worker contests it and goes to the tribunals, the administration is the one to lose all the time.

[Unidentified delegate] Sometimes we hear how well the Galician from Varadero manages. Give me the authority the Galician has and you will see how well I manage. Perfect.

[Unidentified delegate] When an electrician is needed in a house to fix any type of electrical problem, when a plumber or carpenter is needed, we have to call private individuals. Those comrades are getting rich because they charge an arm and a leg, but those services are not offered anywhere.

[Unidentified delegate] What the restaurant enterprise in the municipality needs to consider is that if no products are available, half of the employees in those units need to be transferred elsewhere where they can be more useful so that they do not spend an entire day doing nothing. That makes people uncontrollable and corrupts them. In my opinion, this is immoral. People in the streets are saying this. [end recording]

The discussion of the call for the fourth party congress dealt with various subjects. There was agreement in some and differences in others. There was a full consensus on the way the party members should behave.

[Begin recording] [Unidentified delegate] I do not want to judge all party members nor all revolutionaries, but in each neighborhood block party members have to participate more and be more active in community activities. A party member can be a good worker and be great at the work center but he also needs to be exemplary when he stands in line, when he rides the bus, at home, in his CDR, in the Federation of Cuban Women, in all areas of life. [end recording]

New PRC Ambassador Comments on Bilateral Ties

FL1409202590 Havana Radio Reloj Network in Spanish 1938 GMT 14 Sep 90

[Text] In his first news conference with Cuban journalists, new PRC Ambassador to Cuba Chen Jiuchang expressed his desire to strengthen the currently solid Chinese-Cuban relations. The diplomat explained the outline of his country's domestic and foreign policies based on peace, independence, and self-determination, and stressed that China wants relations with all countries although it will never negotiate about the principles it believes are fundamental.

In the economic sphere, Ambassador Chen Jiuchang reported that important achievements have been obtained in recent years with the reform of the economic structure. This can be seen in industrial production and

an opening to other countries, and also in foreign trade, the increase in hard currency reserves, and a good grain harvest.

PRC Justice Minister Cai Cheng Ends Visit

FL1509010090 Havana Television Service in Spanish 0000 GMT 15 Sep 90

[Text] PRC Justice Minister Mr. Cai Cheng concluded his visit to our country today. He was seen off by Acting Cuban Justice Minister Carlos Amat. The Chinese minister had come to our country to attend the Eighth UN Conference on Crime Prevention and Rehabilitation. Later he carried out a schedule of visits to places of economic, social, and scientific interest, including the Genetic Engineering and Biotechnology Center, the Valle de Picadura, and the University of Havana.

He was briefed on the functioning and work of the Ministry of Justice, the Office of the Attorney General of the Republic, and the Supreme People's Court. Before departing, the Chinese minister repeated to our news program that he had been very impressed with the achievements of our socialist revolution. Cai Cheng is traveling to Argentina in response to an invitation from his counterpart, the Argentine justice minister.

Friendship Center Head Meets Italian Delegation

FL1509012590 Havana Radio Rebelde Network in Spanish 2328 GMT 14 Sep 90

[From the "Exclusivo" program]

[Text] Rene Rodriguez Cruz, president of the Cuban Institute of Friendship with the Peoples, has met with an official delegation from the government of Florence, Italy, led by Provincial Vice President Mr. (Paulo Baglioni) and Mrs. (Graziela Avieto), secretary general of the Italy-Cuba Friendship Association.

During the meeting, subjects concerning work in solidarity with our country were discussed, and the government of Florence repeated once again its willingness and interest in continuing to strengthen the ties of friendship between our two peoples.

Rene Rodriguez Cruz later met with Mozambican Public Health Minister Mr. Leonardo Simao, who mentioned once again the historic ties that join our two nations.

Cooperation Protocol Signed With Congo

FL1509024590 Havana Radio Reloj Network in Spanish 0232 GMT 15 Sep 90

[Text] A realistic protocol based on the economic situation in each country was signed by Cuba and the Congo today to ensure the strengthening of mutual exchanges. The agreement concluded the eighth session of the Joint Commission on Economic, Scientific, and Technical Cooperation, which began on 12 September and was chaired by Congolese Foreign Minister Antoine Ndinga-Oba and Rodrigo Garcia, head of the Cuban State Committee for Finance.

Both signers acknowleged the mutual understanding and intelligence involved in adopting agreements that respect each other's economic circumstances and allow for progress in new areas. Cuba and the Congo will cooperate in fields such as public health, fisheries, construction—particularly of roads and housing—as well as agricultural training and the granting of scholarships to Congolese students for special training.

Delegation to Joint Commission Arrives

FL1209010090 Havana Television Service in Spanish 0000 GMT 12 Sep 90

[Text] The Cuban and Angolan delegations to the ninth meeting of the Joint Commission on Southwest Africa arrived today at Windhoek International Airport, where they were met by high-ranking Namibian government leaders. Division General Jesus Bermudez Cutino, vice interior minister and a member of the Central Committee, and Antonio dos Santos Franca, a member of the Politburo of the Angolan MPLA [Angolan People's Liberation Movement] and chief of the FAPLA [People's Armed Forces for the Liberation of Angola] General Staff, headed the respective delegations.

The sessions will be opened on 13 September by Namibian Foreign Minister Theo-Ben Gurirab. Namibia and South Africa will also participate in the meeting as full members, as well as the United States and the USSR as observers. On this occasion it is expected that the minutes of the eighth meeting held in Havana two months ago, a report on the schedule for withdrawal of Cuban troops from Angola, and an analysis of the situation in southwestern Africa will be approved.

Politburo Member Welcomes Returning Soldiers

FL1509123190 Havana Tele Rebelde Network in Spanish 1100 GMT 15 Sep 90

[Text] A group of internationalist combatants have returned to the fatherland from the People's Republic of Angola. Julio Camacho Aguilera, member of the Communist Party of Cuba [PCC] Politburo, welcomed them at the Jose Marti International Airport. In the welcoming remarks, Jesus Montane Oropeza, member of the PCC Central Committee, highlighted the participation of those men in the Angola liberation war.

[Begin Montane recording] As you arrive in the land were you were born after writing one of the most brilliant and glorious pages of courage, firmness, and internationalist solidarity, receive the grateful greetings of the Jose Marti fatherland and of Fidel Castro. [end recording]

Brigade General Lino Carreras, representing the Revolutionary Armed Forces, and representatives of the Interior Ministry and political and mass organizations were also present.

Inter-Caribbean Affairs

Cuba's Bid To Join Tourism Organization On Hold

FL1509185090 Bridgetown CANA in English 1835 GMT 15 Sep 90

[Report by Mark Lee]

[Text] San Juan, Puerto Rico, Sept 15, CANA—Cuba, which has been seeking membership of the Caribbean Tourism Organisation for more than two years, has again been put on hold by the organisation which embraces 28 countries from all language groups in the region.

"Cuba would have to do what other members of CTO do; that is, they recognise each other and are at peace with each other," the organisation's outgoing Chairman Baltron Bethel of the Bahamas said here on Friday. The socialist country's application was turned down a year ago at the 13th annual Caribbean tourism conference in the Bahamas on the grounds that the Fidel Castro regime did not recognise the Grenada Government. Cuba, which was a staunch supporter of the government of the late leftist Prime Minster Maurice Bishop, had claimed that the administrations which succeeded Bishop after a U.S.-led invasion were puppets of Washington.

While tourism officials say that ideology is not a factor in the denial of Cuba's application, American travel agents who are also members of the CTO cannot market Cuba as a tourism destination since Washington has a trade and travel embargo on Castro's country because of private sector expropriations after his 1959 revolution. Bethel, who was asked whether the American embargo was a factor in the decision on the application, said that what Cuba negotiated with sovereign nations was its own affair. "Cuba continues to request membership and the matter remains under consideration (of the council of tourism ministers) at the moment," CTO Secretary General Jean Holder said.

Jamaica and Trinidad and Tobago have both expressed willingness to support Cuba's membership in the CTO which provides research, planning and marketing services to its members states.

St. Lucia To Send Observers to Haiti Elections

FL1409145790 Bridgetown CANA in English 1439 GMT 14 Sep 90

[Text] Washington, Sept 14, CANA—St. Lucia will be sending seven observers to the November elections in Haiti. Ambassador to the Organisation of American States [OAS], Joseph Edmunds says the seven will be part of a Caribbean Community team monitoring the poll as part of the OAS effort. Edmunds was speaking at a meeting of the OAS Permanent Council, which has given secretary-general, Joao Clemente Baena Soares the go-ahead for the observer team.

"This insertion by the OAS in the democratic process of Haiti and of our region signifies the reaffirmation of the presence of the OAS in the search of solutions of regional problems," said the Uruguayan OAS ambassador, Didier Opertti.

Baena Soares appealed to member states and permanent observers to contribute with financial or material resources which would allow for the enhancement of the presence of the OAS in the poor, French-speaking country.

Antigua and Barbuda

Radio Reports Agriculture Minister Suspended

FL1409200790 Bridgetown CANA in English 1937 GMT 14 Aug 90

[Text] [Words indistinct] Antigua, Sept 14, CANA—Antigua and Barbuda's agriculture minister, Hilroy Humphreys, is being suspended for allegedly signing promissory notes, the privately-owned ZDK radio station reported Friday. But Cabinet Secretary Lounel Stevens told CANA that he is not aware Humphreys is being suspended. "Nothing about his suspension is before Cabinet," Stevens said.

ZDK, owned by the family of Prime Minister Vere Bird Sr., said the Antiguan leader had decided to suspend Humphreys pending the outcome of an investigation into the promissory notes.

The U.S.-based law firm of Washington, Perito and Dubuc, has been engaged by the government to investigate the matter and submit a report with recommendations by October 15.

During a government-ordered probe of an Israeli arms transshipment through Antigua in 1989 to Colombian drug dealers, British jurist Louis Blom-Cooper was told that Humphreys signed promissory notes valued at more than one million U.S. dollars for Israeli melon farmer Maurice Safarti. Investigators say Safarti, at one time a special envoy for Antigua, helped negotiate the arms deal.

ZDK said that the minister responsible for shipping, Henderson Simon, "will temporarily fill the post as minister of agriculture" and "the prime minister will re-consider Humphreys suspension after the conclusion of (the) investigation."

Stevens said he was "not in a position to say if the matter was discussed at the last Cabinet meeting." He noted, however, "the appointment and suspension of ministers is the prime minister's jurisdiction and he doesn't have to consult Cabinet." Humphreys is reported to be overseas.

Dominican Republic

Higher Fuel Prices, Need to Conserve Noted

FL1409184390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 14 Sep 90

[Station editorial: "More Fuel Price Increases"]

[Text] We Dominicans simply must get used to the idea that oil is a luxury and that the fuel derived from that

natural resource is expensive and has to be paid for at high prices. Gasoline, gasoil, kerosene, [word indistinct], and propane gas prices increased yesterday to a level unimaginable three months ago. We know that those prices depend on the cost of oil plus transportation at international markets, especially in Venezuela and Mexico, which are our traditional suppliers.

If fuel prices need to be changed, new prices will simply be set every week, whether they are higher or lower. However, the Dominican state, faced with the magnitude of the oil bill and the internal and external problems we must deal with, cannot continue to withstand losses at the Dominican Oil Refinery a minute longer.

We will have to consume expensive fuel if oil is expensive. Consequently, what needs to be done is to rationalize consumption, save fuel, and pay it at high prices. By the way, we Dominicans were spoiled and used too much fuel, and we still are doing it. But now we have to pay a high price, a very high price, with the negative consequences that that has for all of the country's economic activities.

Haiti

CATH Comments on Current Political Situation

FL1409165690 Port-au-Prince Radio Haiti-Inter in Creole 2000 GMT 12 Sep 90

[Text] After a very long period of silence, the Jean-Auguste Mesyeux branch of Autonomous Organization of Haitian Workers [CATH], in "The Word is Said" [a special cast], has commented on the political situation of the country. CATH asks the lady [President Ertha Pascal Trouillot] to begin dialogue with the State Council because it notes that the discord is strengthening the Macoutes while the country is falling into disrepair. The country is a house that is considered to have collapsed, according to what the Jean-Auguste Mesyeux branch of CATH says.

CATH says it is now the responsibility of both the lady and the State Council to be able to find a solution for the country; a country totally pillaged, where shameless, barefaced people continue to line their pockets while trash litters the country and where unemployed and illiterate people are dying in extreme poverty. This is an extensive comment that the CATH has made after a very long silence.

Zenglendos Suspected in Arson at CNC Building

FL1409160490 Port-au-Prince Radio Haiti-Inter in Creole 2000 GMT 12 Sep 90

[Excerpts] Amos Salomon [name as heard], head of the department of education at the National Council of Cooperatives (CNC) that was destroyed by a fire in the early hours of Monday [10 Sep], was trying yesterday [11 Sep] to evaluate the untold extent of the damages. The fire, which was lit inside, seemed to have destroyed resources estimated at $1 million. [passage omitted]

[Begin Salomon recording] Well, because the fire occurred suddenly, I cannot estimate a figure. The general director estimated losses of up to $1 million. I do not know whether this is valid or exaggerated. The head of the management department gave an interview to one of your colleagues. He indicated that the losses are really enormous, but he cannot give a number. [passage omitted]

Those losses amount to many materials and documents. Everything is basically lost. The BIT [expansion unknown] for example, also had its offices here. The office of the general director, all the offices, everything was lost in the flames. [passage omitted] [end recording]

That was Amos Salomon, head of the department of education at the National Council of Cooperatives, speaking on the Zenglendos' act of burning down the National Council of Cooperatives, located in the Bicentenaire area. [passage omitted]

Trinidad and Tobago

Government Discusses Plan for Economic Growth

FL1409165990 Bridgetown CANA in English 1501 GMT 14 Sep 90

[Text] Port of Spain, Trinidad, Sept 14, CANA—The Trinidad and Tobago Government is planning to reduce unemployment by 10 per cent by 1995. The target is given in the government's development plan for the period 1989-1995. The government estimated unemployment at 22 per cent in 1989, with 101,500 unemployed. It described the level of unemployment as "socially unacceptable." Government says it will have to create 84,000 additional jobs in order to reach its target, adding the goal is "attainable" provided the levels of investments projected are achieved.

The government also said targets were strengthening the balance of payments and re-building the national foreign exchange reserves. It predicted a return to economic growth of 1.5 percent by next year. It says that by 1992, the economy will grow by 2.5 percent; by three per cent in 1993; by 3.5 per cent in 1994, and in 1995, there will be economic growth of 4 percent.

The plan is projecting cumulative gross capital over the period at 27 billion TT dollars (one TT dollar = 23.5 U.S. cents). It is also forecasting 2.3 billion TT dollars in public sector investment over the next two years, with 1.0 billion TT dollars in 1990, and 1.3 billion TT dollars in 1991.

Pemex Says No Further Increase in Oil Production

PA1509043490 Hamburg DPA in Spanish 2036 GMT 13 Sep 90

[Text] Mexico City, 13 September (DPA)—Francisco Rojas, the director of state-owned Mexican Petroleum (Pemex), has stated that Mexico will not further increase its petroleum production because of the Persian Gulf crisis. The country currently produces 1.3 million barrels per day [bpd].

"We are not able to increase our export quota beyond the 10 percent we offered early last month," Rojas indicated. His statement referred to the Mexican Government's decision to sell an additional 100,000 bpd this year, mainly to clients in the United States.

Rojas has asserted that petroleum will not be included in future free trade agreement negotiations with the United States. He denied that constitutional changes would be made to allow private capital to enter the country for oil exploration and drilling. The industry was nationalized in 1938.

The Pemex director also stated that he was against giving additional preferential treatment to the countries of Central America that enjoy the benefits of the San Jose Pact. These countries have requested that Mexico and Venezuela give them better credit terms to purchase petroleum. They base their request on the negative effects that the increase in crude oil prices has had on their balance of payments.

"We will sell our petroleum at 100 percent of its value on the international market," Rojas said. Thus, he rejected the possibility of reducing the price of Mexico's crude oil for countries that signed the San Jose Pact.

However, he noted that foreign and energy ministries make the decisions concerning giving these countries better conditions. The countries that signed the San Jose Pact currently receive a total of 130,000 bpd of Mexican and Venezuelan petroleum at preferential rates, 20 percent on credit.

Central American Governments have reported that they will be sending their economy ministers to Mexico within the next few days to renegotiate their petroleum debts with Mexico and to request even more favorable conditions for their petroleum purchases.

Ambassador to Nicaragua on San Jose Pact

PA1509135590 Mexico City NOTIMEX in Spanish 2027 GMT 12 Sep 90

[Text] Managua, 12 Sep (NOTIMEX)—Mexican Ambassador to Nicaragua Ricardo Galan Mendez has stated that Mexico is interested in promoting the stability of the international oil market and promises to maintain the oil supply agreed upon in the San Jose Pact.

In a letter sent to a local newspaper, the diplomat states: "A possible prolongation of the crisis would be harmful for oil consumers, exporters, and world operations as a whole.

After saying that Mexico hopes the oil price increase will be temporary, Mendez said that his government "has nothing to do with the causes that provoked the uncontrolled increase in oil prices."

Because of the Iraqi invasion of Kuwait last month, international oil prices experienced abrupt increases because Iraq and Kuwait alone have 20 percent of the world's oil reserves.

The letter published today states that "the Mexican oil production levels (4.5 percent of the world's total oil production) are not determining factors in the fixing of oil prices, much less in the control of the market."

The Persian Gulf crisis has seriously affected the Central American nations and especially Nicaragua, which is experiencing the worst economic crisis of its history.

In view of the oil price increase, President Violeta Chamorro's government increased gasoline prices. Gasoline in Nicaragua now costs $2.15 per gallon, in other words, 56 cents per liter, which is the highest gasoline price in Central America.

Mendez said that Mexico will maintain the oil export levels established by the San Jose Pact, which was ratified on 3 August with the intention of guaranteeing a stable oil supply to the Central American countries.

The conditions of the pact establish that the clients will pay 80 percent of their oil bills in letters of credit issued by the Central Banks of Mexico and Venezuela and the remaining 20 percent with soft-term loans payable in five years.

The Mexican diplomat said that because of the "current uncertainty, Mexico believes it is very important to maintain its oil supply to Central America as a way to reassert its commitment with the beneficiaries of the pact."

El Salvador

FMLN Said Preparing for Possible Offensive

PA1409223990 Paris AFP in Spanish 2025 GMT 14 Sep 90

[Text] San Jose, 14 Sep (AFP)—The Salvadoran guerrillas today expressed their hope that substantial advances would be made in the peace talks currently taking place in this capital. They warned, however, that they are "conscientiously" preparing their combatants for a possible large-scale general offensive.

"If conditions force us to unleash an offensive, we will unleash it; we are conscientiously preparing ourselves for it," Captain Francisco Mena Sandoval, one of the members of the rebels' delegation, said today.

Nevertheless, Roberto Canas, another guerrilla spokesman, has said that the rebels are confident that the negotiations will advance and that the necessary conditions will be created to declare a cease-fire in that Central American nation.

After 12 months of negotiations, the dialogue between the Farabundo Marti National Liberation Front (FMLN) and Alfredo Cristiani's government remain stuck on the main point of the agenda—restructuring and purging the Armed Forces.

Meanwhile, Canas has challenged Defense Minister Colonel Emilio Ponce to submit to judicial authorities the information that the High Command supposedly has concerning the murder of six Jesuit priests.

"The High Command and Col. Ponce probably know who planned the Jesuit priests' murder, but so far have concealed that information from the public and the court, Canas said. [no closing quotation marks as received]

The peace talks in San Jose began on 13 September and are expected to conclude on 18 September.

FMLN: Solutions to Jesuits Case 'Key Point'

PA1409233790 Hamburg DPA in Spanish 2145 GMT 14 Sep 90

[Text] San Jose, 14 Sep (DPA)—The Farabundo Marti National Liberation Front (FMLN) demanded today that the Salvadoran Government solve the assassinations of six Jesuit priests that occurred on 16 November 1989 in the Salvadoran capital.

The rebels also demanded that a report allegedly sent by the National Intelligence Directorate of El Salvador to the U.S. Government, which contains details on the assassination of San Salvador Archbishop Oscar Arnulfo Romero, be made public. Romero was shot in the heart on 24 March 1980 as he was saying mass at a cancer hospital in the Salvadoran capital.

Both topics generated heated debates during the second day of a new round of negotiations taking place at a hotel on the outskirts of San Jose between a delegation of President Alfredo Cristiani's government and FMLN envoys.

During a news conference, rebel representative Antonio Cardenal said: "We believe that the solution of this crime is a key point in advancing the negotiations; otherwise, it will make no sense to proceed toward discussing other points, such as the impunity of the Armed Forces."

As for Msgr. Romero's case, Cardenal said that government representative Colonel Mauricio Vargas admitted during the talks that the report was handed over to U.S. authorities.

The guerrillas accuse Major Roberto D'Aubuisson, one of the main leaders of the ruling Nationalist Republican Alliance (Arena), of being one of the "masterminds" behind the archbishop's assassination.

In this regard, guerrilla spokesmen said that they are convinced that if the report was objectively prepared D'Aubuisson's name should be in it, and thus "he must be tried." They added that this and the involvement of other private sector leaders linked to Arena could be among the reasons why the document has not been made public in El Salvador.

As for the trial on the Jesuits' murder case, the rebels accused the Armed Forces of using their "impunity" to make the evidence about those who are responsible "disappear."

The Jesuits, including Central American University (UCA) Rector Ignacio Ellacuria, along with a maid and the maid's daughter, were riddled with bullets by Army soldiers at dawn on 16 November 1989 when the Salvadoran capital was under siege as a result of the largest offensive mounted by the rebels in the past 10 years.

The guerrillas are accusing the Armed Forces' top command of "planning" the murders. The investigations conducted so far have established that the murders were perpetrated by soldiers of the Atlacatl Battalion, a specialized counterinsurgency unit.

Rebel leader Roberto Canas said that the government delegation once again flatly rejected the FMLN proposal to set up a joint commission to expedite the investigations on the case.

On this matter, government delegation chief Oscar Santamaria said that a venue, as the one requested by the FMLN, is "unnecessary" because the case is "in the hands of the courts" and is "being pursued." The rebels said that a joint commission should have "free access to the courts, sources, documents, and witnesses."

The FMLN stated that, in rejecting this proposal, the Cristiani government is "essentially hiding the persons who masterminded" the Jesuits' murders.

At the conclusion of the first two days of the new round of talks, the sides, under the mediation of special UN envoy Alvaro de Soto, have barely begun to discuss "topics pending" from the previous meeting, which was held three weeks ago in Costa Rica. Those topics deal with the Jesuits'

murders, the creation of a commission to expedite the case investigations, and an FMLN request to the government to allow newsmen free access to war zones.

The two delegations were getting ready to resume the discussions on the topic of the Armed Forces, which is the thorniest one of the negotiations and one that caused an impasse in the previous round. The rebels did not rule out the possibility of launching a major military offensive at any minute, as they feel that that is also "a factor to be negotiated."

UN mediator Alvaro de Soto, who said that the process is "very complex," has tried to avoid creating any expectations that real results may be achieved in this new round of talks. De Soto said he did not know if the sides will establish a new deadline for a possible cease-fire agreement, since it was impossible to implement a proposal made four months ago in Caracas, which foresaw an agreement in this respect for Sunday, 16 September.

'Impressive Military Deployment' in Capital

PA1509004190 Mexico City NOTIMEX in Spanish 2300 GMT 14 Sep 90

[Report by Maria Cortina]

[Text] San Salvador, 14 Sep (NOTIMEX)—The fifth dialogue session between the Salvadoran Government and the guerrillas being held in Costa Rica has created tension in the Salvadoran capital, where the Army maintains an impressive military deployment.

While the government and guerrilla delegations have accused each other of inhibiting the negotiations in Costa Rica, in El Salvador the Salvadoran people are waiting to see whether the rebels stage another offensive.

The Farabundo Marti National Liberation Front (FMLN) has denied reports being spread by the Alfredo Cristiani government about a possible offensive and it accused the government of staging a psychological campaign to frighten the population.

A Salvadoran woman, whose brother belongs to the Cavalry Regiment, has commented: "I was told at the Cavalry Regiment that I should buy food and store water in plastic bottles."

Troops carrying combat equipment with faces covered with camouflage paint are patrolling the main streets of San Salvador in armored military vehicles, while others stop vehicles, especially at the entrances to the capital.

Reports from San Jose, where the UN-sponsored dialogue is being held, diminish the people's few hopes that peace will be reached through the dialogue.

"The positions are diametrically opposed; the Army will not give up power and the FMLN [Faribundo Marti National Liberation Front] will not accept the loss of what it has gained over the past 10 years of war," a source close to UN mediator Alvaro De Soto has said.

According to various opposition members, who give President Cristiani "the benefit of the doubt," the Armed Forces are the main obstacle to attaining peace.

They agreed with the FMLN in designating reports of a rebel offensive to be part of the psychological warfare of the government and the Army to discredit the armed struggle. They noted that the military deployment in San Salvador's streets "reinforces the specter of an offensive," and they believe that the dialogue is experiencing an "impasse" that can only be overcome by defining the relative strengths of the respective forces.

The guerrillas, an Army officer said, know that the war must be decided in its favor on the battlefield, so as to make the government yield at the negotiating table.

"Neither side wants to lose," an old man selling mangos in the street commented, while two Air Force helicopter gunships overflew the area.

Cristiani Rejects FMLN Threats

PA1609042490 San Salvador Canal Doce Television in Spanish 0315 GMT 16 Sep 90

[Text] President Alfredo Cristiani insisted today that the government is willing to attain peace in the country, but he rejected the guerrilla threats of a new offensive. According to the president, the Farabundo Marti National Liberation Front [FMLN] will not gain any advantages at the negotiations with its threat of new armed actions. President Cristiani said that the Salvadoran Government delegation that went to Costa Rica has the will to negotiate an end to the war, but through the political path. In that sense he rejected the threats of new military offensive by the FMLN. He said that neither blackmail nor psychological pressure would help the negotiations. The president called on the FMLN to stop increasing their military actions.

[Begin Cristiani recording] This is definitely an appeal. The FMLN must understand that the government of the Republic wants peace, but not through blackmail or threats, because it believes that the people want peace. When acts of violence or terrorism occur, the civilian population is primarily affected. The guerrillas are, therefore, mistaken if they think that they can gain an advantage by making threats or staging terrorist acts. [end recording]

FMLN: U.S., Salvadoran Proposals 'Harmful'

PA1609135290 (Clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 15 Sep 90

[Document issued by the Farabundo Marti National Liberation Front Political-Diplomatic Commission: "Harmful Initiative for the Salvadoran Negotiation Process"; place and date not given]

[Text] The U.S. and Salvadoran Governments have presented to the UN Security Council and to the Central

American governments an initiative that is harmful to the negotiation process in our country. On this topic we have the following report.

We are forced to provide the following background information:

On 26 July, the government and the FMLN were able to reach a partial agreement on the human rights issue, the fulfillment of which was to be verified by the United Nations as soon as the cease-fire begins.

On 17 August, the FMLN asked that the UN verification be separated from the cease-fire. It also asked that UN representatives be sent to El Salvador as soon as possible because the government continued to violate human rights and the agreements that were reached.

On 29 August, the secretary general, with the approval of both sides, asked the Security Council president for authorization to make the necessary arrangements to install the verification mission at the appropriate time.

On 6 September, the Security Council president gave the secretary general the authorization that he requested.

On that same day, a U.S. delegation, without consulting with the secretary general, distributed among some members of the council a draft resolution on the negotiation process in El Salvador. In the opinion of those who have read it, this resolution does not deserve any support, because it is biased. It does not favor the mediation of the secretary general and introduces elements that weaken the serious commitments made thus far in the negotiation process.

The Salvadoran Government mission, also without consulting the secretary general, handed over to the representatives of the Central American governments a draft resolution for the security council asking for its sponsorship. This resolution is nothing more than a Spanish translation of the draft resolution submitted by the United States with a few changes, making it equally biased and harmful to the negotiation process.

The secretary general and his personal representative, Alvaro de Soto, have said they were pleased with the response given by the Security Council on 6 September. They do not believe it is necessary for the Security Council to approve any resolution on the Salvadoran negotiation process.

Even after learning of the viewpoints of the secretary general, the U.S. Government has continued to insist on submitting its proposal to the Security Council. In view of so much insistence, Mr. De Soto said it is not necessary for the Security Council to adopt a resolution on El Salvador. He proposed to the Salvadoran Government certain amendments aimed at balancing the contents of the proposal and avoiding undermining his role as mediator.

Not finding support for its initial proposal, the Salvadoran Government adopted the amendments on 10 September, but without completely eliminating the biased nature of its initial proposal.

Damage done to the negotiation process because of the U.S. and Salvadoran Government initiative:

1. It prevented the mediator from conducting the interviews that were planned in San Salvador this week with President Alfredo Cristiani, other government officials, and political party leaders. It is the first time that Mr. De Soto has not conducted these useful meetings in the Salvadoran capital before beginning a new round of negotiations.

2. It created an unfavorable climate for the next round of talks on 13 September, and it increased the lack of trust that the FMLN has in the sincerity of the Salvadoran Government to negotiate.

3. It created greater doubts within the FMLN about the alleged support of the U.S. Government for the negotiation process.

4. It endangered the holding of the next meeting in San Jose, because it wanted the Costa Rican Government to support a biased proposal that is incompatible with its condition as host of the round of talks scheduled for this week. The Salvadoran Government has tried to explain its insistence on having the Security Council adopt the proposal initially distributed by the United States by saying that it wants to speed up the negotiation process and prevent the FMLN from launching a military offensive.

Actually, with this initiative, the Salvadoran Government has obstructed the negotiation process. It has shown to the international community that it has adopted a policy of obstruction.

According to the agreements reached by both sides in Geneva on 4 April and in Caracas on 21 May, the way to reach a cease-fire is to adopt political agreements on the Armed Forces, the constitutional reforms, and the economic and social problems.

The FMLN continues to be willing to make all the necessary efforts to achieve fair and lasting peace in El Salvador.

FMLN Communique Criticizes Armed Forces

PA1609015390 (Clandestine) Radio Venceremos in Spanish to El Salvador 0200 GMT 15 Sep 90

[Communique issued by the Farabundo Marti National Liberation Front General Command in El Salvador on 13 September]

[Text] We inform our people and the international community that:

1. On 10 September, troops of the 2d Infantry Brigade attacked a medical post of the FMLN in La Montanita Canton, in the city of Santa Ana. The government troops

captured wounded Spanish doctor Begonia Garcia, who was later killed. Garcia was pregnant at the time of her arrest.

2. On 9 September, government policemen abducted Colombian companero Carlos Arturo Lopez from La Mariona Jail. He had been captured in combat some months ago and sent to court. So far, his whereabouts are unknown.

3. On 10 September, troops of the 3d Brigade in San Miguel captured combatant Rolando Villanueva, 15, who was murdered four hours after his arrest.

4. On 12 September, Juan Miguel Lopez and Jose Luis Lopez, both two years old, were killed and Virginia Lopez and Carlos Lopez, 15, were seriously wounded as a result of indiscriminate straffing by C-47, and A-37 planes and helicopters in Los Prados Canton, La Laguna jurisdiction, Chalatenango Department.

5. Since the signing of the human rights agreement in San Jose, the government has noticeably increased its repression against everyone regarded as the opposition. On 31 August, the Air Force bombed crops in Copapayo. In addition, the Armed Forces have intensified their campaign of psychological terror against opposition parties, particularly the Democratic Convergence.

Given that all of these actions have occurred during the negotiating process, during which the government and the Armed Forces have committed themselves to respecting human rights, we feel that both the government and the Armed Forces are hypocritical.

At the same time, we reiterate that it is ridiculous to say that recent changes within the Armed Forces command represent a purge, as government spokesmen have implied.

Anything that is not a result of agreements reached at the negotiating table will not be accepted by the FMLN. Recent changes are not aimed at eradicating impunity, but at satisfying the demands of some U.S. congressmen. The impunity and criminality of the Armed Forces is not a problem for a few members, but the institution as a whole.

FMLN General Command

El Salvador, 13 September 1990

Spanish Envoy Confirms Doctor's Death

PA1609213790 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Sep 90

[Text] Various sources announced today that a Spanish doctor identified as Begona Garcia died on 10 September, allegedly during a clash between the Army and guerrillas. The first report was issued by the Farabundo Marti National Liberation Front [FMLN], which has accused troops from the 2d Infantry Brigade, based in Santa Ana Department, of having committed murder. The guerrillas say that troops entered an FMLN medical center where they seized the 24-year-old doctor and later killed her.

Francisco Cadiz, Spanish ambassador to El Salvador, confirmed the death of the Spanish citizen, who arrived in El Salvador from Nicaragua less than one year ago. The diplomat said that he had spoken with Colonel Humberto Gomez, chief of the 2d Brigade, who assured him that the doctor was killed during an armed clash along with nine other rebels. Meanwhile, the Armed Forces Press Committee announced that the Spaniard was killed during a fierce clash between soldiers and guerrillas on 10 September in the area known as La Montanita, on the slopes of the Santa Ana volcano.

FMLN Broadcasts 'Proclamation' on Peace

PA1509224490 Mexico City NOTIMEX in Spanish 2133 GMT 15 Sep 90

[Report by Yvette Baez]

[Text] San Salvador, 15 Sep (NOTIMEX)—The Farabundo Marti National Liberation Front (FMLN) reiterated today that "it will never renounce its struggle to build a new economic order and to rescue democracy and sovereignty in El Salvador.

In a radio broadcast of the clandestine Radio Farabundo Marti, the FMLN issued a "proclamation to the Salvadoran nation," in which it raised the urgent need for a democratic revolution that will permit peace.

In San Jose, Costa Rica, the delegations of President Alfredo Cristiani's government and the guerrillas are holding talks aimed at ending the 10-year long civil war, which has resulted in 71,000 deaths.

Radio Marti noted in its broadcast the need for demilitarizing all of society and for integrating the front into the country's political life.

Within the framework of the 169th anniversary of Central America's independence, the FMLN suggested that the current army be dissolved and replaced by a civil security force as an important step toward attaining peace in the country.

To establish a "new economic order," the FMLN suggests the strengthening of property cooperatives and laws that will guarantee respect for human rights.

The FMLN added that once these objectives are fulfilled, it will then propose the creation of a new political constitution that will establish a pact among the national forces and guarantee clean elections with the participation of all people over 16 years of age.

FMLN, Interparty Commission Announce Agreement

PA1709025790 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Sep 90

[Text] The Salvadoran Christian Democratic Party [PDC] announced today a number of agreements reached by the Interparty Commission and the FMLN [Farabundo Marti National Liberation Front] during a meeting recently held in Mexico. The agreements include the decision to request the prompt arrival of a UN commission in El Salvador to verify that human rights agreements signed by the Salvadoran Government and the FMLN are being adhered to.

As the coordinator of the Interparty Commission, the PDC announced this afternoon four agreements reached with the FMLN in Mexico City last week. One of the agreements authorizes the Interparty Commission to reach accords concerning the various points of the official agendas without having to wait for these points to be discussed by the government and the FMLN during the talks.

[Begin unidentified speaker recording] The Interparty Commission agreements will be presented to the FMLN, the Salvadoran Government, and the United Nations. They will then discuss them whenever they deem it suitable. This is the second agreement. The third agreement calls for the international commission or election observers, who will stay for an extended length of time, to come as soon as the United Nations is ready to send them. [end recording]

As for the human rights issue, the Interparty Commission succeeded in getting the UN commission to begin the verification of compliance with human rights agreements. The verification will begin before a cease-fire is attained. The Interparty Commission coordinators described the meeting with the FMLN as productive and said that this proves the firmness and unity that all of the country's political groups have achieved.

FMLN Said Willing To Reduce Demands on Army

PA1609193090 Panama City ACAN in Spanish 1824 GMT 16 Sep 90

[Text] San Jose, 16 Sep (ACAN-EFE)— Rebel Commander Nidia Diaz announced in Costa Rica today that El Salvador's Farabundo Marti National Liberation Front (FSLN) is willing to reduce its demands concerning the future of its country's Armed Forces.

Commander Diaz, a member of the FMLN delegation that is negotiating with the Salvadoran Government, told ACAN-EFE that the demands on the Armed Forces that were announced on 15 September by Salvadoran civic-political organizations "are very understandable."

In San Salvador, the Permanent Committee for the National Dialogue (CPDN) and five opposition parties asked the FMLN to be more flexible in its demand that the Army be abolished. The group also asked the government to concretize its proposal by guaranteeing a purge within the Army and an end to the impunity of a few of its members.

The government delegation, which has been negotiating a peace agreement with the FMLN in San Jose since 13 September, has not yet responded to the civic-political statement.

The FMLN is willing to negotiate a peaceful solution of the conflict, but such a solution must be based upon a negotiable proposal, Diaz underscored.

In the rebel commander's opinion, the Salvadoran Government has presented "an informative document," but not "a negotiable proposal."

She insists that "the government envoys must give us a negotiable argument so that we can examine it and discuss it at the negotiating table."

Concerning the degree of flexibility that the guerrillas are willing to offer, Nidia Diaz said that it cannot be established as yet because it depends on the government's offer.

Both sides are trying to put an end to a decade of internal strife in El Salvador through negotiated political means. The conflict has claimed over 70,000 lives, according to figures cited by humanitarian organizations.

Coprefa Reports Various Rebels' Actions

PA1509152590 San Salvador Radio Cadena YSKL in Spanish 1355 GMT 15 Sep 90

[Text] The Armed Forces Press Committee [Coprefa] this morning confirmed that during the attack that the FMLN [Farabundo Marti National Liberation Front] perpetrated in Lolotique, department of San Miguel, in the past few hours, the rebels partially destroyed the command post. According to the report, no casualties have been reported. The Coprefa report also said that Sublieutenant Jose Antonio Cermeno Flores was wounded during an FMLN attack with rifle fire and explosives against Military Detachment 2 members near Cerro El Aguila, San Isidro, Cabanas department. A minor, Jose Antonio Chavarria, was killed in the attack. Coprefa finally reported that four unidentified individuals aboard a vehicle set on fire a microbus owned by Jorge Alberto Tellez, who was wounded. The incident occurred in Lomas del Rio 2 in Soyapango.

FMLN 6-15 Sep Battle Report Broadcast

PA1709043490

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 11 September broadcasts 10 minutes of military reports on clashes between Farabundo Marti National Liberation Front [FMLN] guerrillas and Salvadoran Army troops.

According to Venceremos, at 0900 on 9 September, guerrilla columns from the Anastacio Aquino Paracentral Front initiated a maneuver called: "For Democracy and Peace, the FMLN fights." The guerrillas clashed with three companies from the 5th Infantry Brigade near Junqueque Hacienda, San Felipe and La Soledad Cantons, Tecoluca jurisdiction, San Vicente Department. "As a result of the successful maneuvers, we can give the following preliminary figures, 40 casualties were inflicted on the 5th Infantry Brigade troops, 16 dead and 24 wounded." "A sergeant, two corporals, and two radio operators were killed." The FMLN says that it recovered the following war materiel: eight M-16 rifles, an M-203 grenade launcher, an M-60 machinegun including 18 cartridge belts, two PRC-67 radios, seven M-79 grenades, 4,000 five mm cartridges, three hand grenades, eight field packs, 26 knapsacks, and an M-18 mine. "We announce the heroic fall of Comrade Jose, as well as the capture of Comrade Nicolasa Valladares, who was wounded and taken to the 5th Infantry Brigade barracks."

Another report says that on 7 September at 0700, FMLN snipers attacked a Lenca Battalion unit in El Portillo de Gracia, Yamabal jurisdiction. "As a result of this action, one casualty was inflicted on the fascist Lenca Battalion troops."

The next report says that at 1630 on 7 September guerrilla units clashed with Jiboa Battalion troops from the 5th Infantry Brigade in the vicinity of San Bartolo, San Vicente jurisdiction. "As a result, a soldier was seriously wounded."

Another report adds that on 8 September a UH-1H helicopter was attacked and was damaged by antiaircraft fire.

Venceremos says that at 0900 on 9 September clashes took place in Planares cantons. "As a result, 12 casualties were inflicted on the Trueno Battalion." The FMLN also claims to have damaged a C-47 plane and a light plane in the area. "A total of three planes have been damaged in the Cuscatlan area."

Venceremos adds that on 9 September at 1900, FMLN units clashed with Victoria Battalion troops from Military Detachment No. 2 in Villa Victoria jurisdiction, Cabanas Department. "As a result of the clashes, two casualties were inflicted on the enemy."

The final report says that on 10 September FMLN guerrilla units clashed with Belloso Battalion troops in Las Flores jurisdiction, Chalatenango Department. "As a result of the clashes, a casualty was inflicted on the fascist Belloso Battalion troops." At 0900 on 10 September, a UH-1H helicopter was damaged by guerrilla antiaircraft fire in Chalatenango Department.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 13 September broadcasts 13 minutes of military reports on more clashes between FMLN guerrillas and Salvadoran Army troops.

The first report states that on 12 September at 1030, a clash took place in Los Prados, La Laguna jurisdiction. According to a preliminary report, two rifles, three knapsacks, and two field packs were recovered. "As a result of the clash, several casualties were sustained by the enemy."

The following report from the Anastacio Aquino Paracentral Front states that on 8 September, FMLN units placed mines near the location of the 5th Infantry Brigade in Tecoluca jurisdiction. "As a result, two soldiers were seriously wounded," according to Venceremos.

The next report states that on 6 September, an army engineer detachment stepped on a mine field in Las Nubes farm, Zacatecoluca jurisdiction. "As a result, an army corporal was wounded." On 11 September, 5th Infantry Brigade units stepped on mine fields in this same place. "As a result, two soldiers were seriously wounded."

Another report adds that on 9 September at 1045, units stepped on mine fields in Zacatecoluca jurisdiction, La Paz Department. In this action, "we inflicted four casualties, including a lieutenant from the 3d Company." Another soldier from the Nonualco Battalion was wounded in a mine field on 10 September in Puerto La Libertad.

Venceremos adds that on 7 September, FMLN militias carried out an ambush on the coastal road, near El Majagual. "As a result, five casualties were inflicted," the FMLN claims.

On 12 September at 1145, guerrillas placed mines near the location of the Victoria Battalion troops in Villa Victoria jurisdiction, Cabanas Department. "As a result, three soldiers were seriously wounded, including a sergeant," Venceremos adds.

The following report says that on 11 September guerrilla units attacked a Ponce Battalion position in the vicinity of the town of Chapeltique. "As a result, two casualties were inflicted," the FMLN claims.

The next report from the Modesto Ramirez Central Front states that on 11 September at 1000, guerrilla units ambushed a Libertad Battalion patrol in Nejapa jurisdiction, San Salvador Department. "Our units confirmed that they inflicted five casualties on the enemy," Venceremos says.

Further information on the first report from the Modesto Ramirez Front in Chalatenango states that at 1030 on 12 September, guerrillas conducted a successful military maneuver in Los Prados canton, La Laguna against the 3d Company of the Cayaguanca Battalion. The clashes lasted until 1300. "As a result, 15 casualties were inflicted, including the company chief. In addition, we recovered three rifles with their equipment, a 60 mm mortar grenade, three cartridge belts for a M-60 machinegun, four grenades for an M-79 grenade

launcher, seven knapsacks, and other war materiel." The FMLN adds that in this maneuver, Comrades Giovanni and Douglas were killed.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 14 September broadcasts five minutes of military reports on clashes between the FMLN guerrillas and army troops.

The first report states that guerrillas launched an attack in the town of Zaragoza. According to the television station, the attacks began at 0630 on 13 September and lasted 30 minutes. "Reinforcement troops were ambushed and according to official sources, two soldiers were killed and three civilians were seriously wounded," the station reports.

Another report states that the FMLN maneuvers also included the departments of San Vicente and Chalatenango, where preliminary reports say at least 23 guerrillas and four soldiers were killed. The Armed Forces Press Committee [Coprefa] reported the death of 15 rebels and two soldiers during the clashes that took place in Cerro Verde, in the town of La Laguna. Coprefa also reported on the death of eight rebels and two soldiers in clashes that took place in Dulce Nombre de Maria jurisdiction. "According to the Army, some 20 guerrillas and six soldiers were wounded in these actions," the station adds.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 14 September states that "in a clear violation of international agreements," the Salvadoran Army attacked an FMLN medical post in Montanitas canton, Santa Ana at 1300 on 10 September. "Spanish medical doctor Begona Garcia was captured, wounded, and murdered," according to Venceremos.

Another report states 13 casualties were inflicted on the paratrooper battalion in San Vicente. No further information on this report was given.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 15 September reports that a child was seriously wounded and extensive property damage was caused by two dynamite attacks carried out by the FMLN guerrillas in the city of Santa Ana on 13 September.

Another report states that the FMLN suffered 15 casualties in clashes with the Army in the eastern part of the country on 13 September. The 3d Brigade reported a guerrilla was killed and eight others were wounded as a result of a clash in the vicinity of the city of San Miguel. Another clash took place in the town of Sociedad, Morazan Department, where at least six rebels were wounded in clashed with troops from Military Detachment No. 3.

UNTS Views Talks; 15 Sep March Announced

PA1509025190 San Salvador DIARIO LATINO in Spanish 13 Sep 90 p 4

[Text] The National Union of Salvadoran Workers (UNTS) reported today that the changes implemented in the Armed Forces do not resolve the impunity problem.

This week the Armed Forces reported that some officers will be replaced and that arrests and forced recruitment will be regulated in the future.

Francisco Martinez [press and information secretary of the nongovernmental Human Rights Commission of El Salvador] has said that, by making changes and issuing directives, the government is trying to convey the idea that it is willing to negotiate with the rebels to influence the U.S. Congress when economic aid for El Salvador is being discussed.

In recent months, U.S. legislators have proposed that the economic assistance to El Salvador be completely ended or cut by 50 percent because of the human rights violations perpetrated in El Salvador.

Mario Cabrera, another member of the UNTS Executive Committee, has said that if the government was willing to resolve the murder of the six Jesuit priests, "it would have already tried" the officers involved in this murder which took place in November of last year.

Cabrera added that the priests were murdered within the framework of a plan aimed at eliminating the leaders of the people's movement and as a response to the rebel offensive that was underway at that time.

Reverend Edgard Palacios, coordinator of the Permanent Committee for the National Debate (CPDN), has adopted a similar position. He stated that the Armed Forces perceive that "there is not yet political willingness for the demilitarization."

Reverend Palacios added that the CPDN views the changes in the Armed Forces as routine, but he said that deeper changes are needed.

The leaders of the UNTS expressed the belief that the meeting between the government and the rebels which will begin on 14 September in San Jose, Costa Rica, will not make progress if the parties do not reach an agreement on the issue of the Armed Forces.

Both the UNTS and the CPDN believe that the dialogue will make progress in the measure that social sectors can exert their pressure.

Mario Cabrera reported that the different organizations that form the UNTS will take steps to attain the aforementioned objective.

Cabrera concluded that these organizations will march through the streets of San Salvador on 15 September under the motto "demilitarization for peace," and they hope to gather approximately 100,000 people.

Army Stops 3,000 From Joining March

PA1509173890 Hamburg DPA in Spanish 1631 GMT 15 Sep 90

[Text] San Salvador, 15 Sep (DPA)—The Salvadoran Army today prevented about 3,000 peasants from the northeastern Department of Morazan from going to San Salvador. The peasants were going to participate in the "March for Peace," organized by the Permanent Committee for National Debate (CPDN).

The march was held this monrning with the participation of political parties, social groups, workers, peasants and members of cooperatives.

The peasants, mostly from the "Segundo Montes"—name of one of the six Jesuit priests murdered last year—community, north of Morazan, were headed for San Salvador in a motorcade of at least 40 vehicles. According to eyewitnesses, they were stopped at military roadblocks, ordered by the Army Staff, near the city of San Fracisco Gotera.

Some vehicles managed to get through. They were stopped later on, however, while members of the Civic-Pacifist Movement tried to obtain military permission to reach their destination.

The organizers of the march protested the action, which they claim in no way contributes to peace.

Fire Destroys Police Arsenal in San Salvador

PA1609182790 Panama City ACAN in Spanish 1719 GMT 16 Sep 90

[Text] San Salvador, 16 Sep (ACAN-EFE)—A fire, which military sources described as "an accident," today destroyed most of an arsenal of the Salvadoran Financial Police in the capital's north, but no victims were reported.

The fire, which started at 0800 (1400 GMT), was put out by four fire department units two hours later, after the explosions in the old building that served as an arsenal had stopped.

A large number of pieces of mortar and other weapons were hurled as far as 200 meters away from the building, which was severely damaged, ACAN-EFE confirmed.

The authorities have not yet given an official version of the causes of the fire or reported any casualties sustained by the building's guards. An official who helped put out the fire said it was "an accident."

Other sources, however, considered the possibility that the fire was caused by the Farabundo Marti National Liberation Front [FMLN] because of the explosions heard before the fire. The rebels, however, have not claimed responsibility for the incident.

Neighbors told ACAN-EFE that normally there are several guards at the arsenal.

A humanitarian organization source said, however, said the guards might have fled on hearing the first explosions.

Guatemala

Government Minister Morales Views Alleged Plot

PA1509142390 Guatemala City Teleonce Television in Spanish 0400 GMT 13 Sep 90

[Report on statements by Government Minister Carlos Morales with unidentified reporters on 12 September; place not given]

[Text] Government Minister Carlos Morales on 12 September denounced the alleged existence of a plot to destabilize the government. He revealed this only a few days after rumors began circulating on alleged armed insurrections in certain Guatemalan military areas; these rumors were denied by the Army. General Morales told a group of reporters that certain political groups, which he did not identify, have initiated this plan. According to the minister, certain parts of the plan would have been put into action during the independence anniversary ceremonies. Morales made these statements in response to reporters' questions about the possibility of giving special protection to presidential candidates now that the elections are drawing near.

[Begin recording] [Morales, in progress] ...again with electoral authorities such as the Supreme Electoral Tribunal and Citizen's Registry to once and for all move on to the second phase of our security plan now that all the electoral requisites have been fulfilled by the parties and candidates before those electoral authorities. I also wanted to tell you that our information agencies have told us—and this has also been filed and processed by intelligence agencies—about disorders planned for the next few days, especially during the ceremonies to mark the country's independence. We have information on possible attempts to disturb and obstruct parades throughout the Republic. Some teachers have advised students to abstain from participating for safety reasons.

We have been sending our security forces to collect information and assess the situation. I would like the media to tell the Guatemalan people about this situation and let them know that we will not tolerate any alterations of public order. These people plan to destabilize the country in the future should these initial alterations of public order be successful. If possible, they would like these alterations of public order to spread nationwide. We have processed all the information about this. We have patiently assessed it, and we want to warn these irresponsible people that we will not tolerate any alterations of public order during the electoral process. All this information has been duly processed and filed with all the seriousness warranted by the situation. We will tackle the situation with our characteristic responsibility.

[Reporter] What groups could be involved in this, Mr. Minister?

[Morales] It seems that the groups that have never been able to achieve power through the elections. The means that they plan to use, which are totally outside the electoral process, are means to achieve power. They seek to reach power by storm.

We have achieved great control of the situation based on the information available to us. We are sure that this plot will not materialize. It is important, however, to advise the Guatemalan people about this and urge them to trust civilian and military authorities who are determined to guarantee the electoral process. We do not want Guatemalans to give any consideration to rumors and calls to abstain from participating in civic events, parades, and activities during these days of patriotic celebrations.

The people behind this plot want to take advantage of these festivities to disturb public order and express their nonconformity. We know that there are economic and social problems, but regarding the political order, the authorities are open to [changes thought] have received all the documents and worked with their characteristic seriousness and responsibility.

The electoral process is under way, and the juridical framework has been established. We will protect the people and urge them to trust us and to not be deceived by these irresponsible people. We have control over the entire nation. We are sure that this plot will find no supporters. We will enforce the law should there be any attempts to alter public order.

We had information about this plot 15 days ago, and we have been watching their every move. We decided to reveal this to you today, however, because we have achieved nationwide control. [end recording]

Carpio Said Leading as Presidential Candidate

PA1509044390 Mexico City NOTIMEX in Spanish 2207 GMT 13 Sep 90

[Text] Guatemala City, 13 Sep (NOTIMEX)—A Costa Rican CID-GALLUP poll reported in Guatemala City today indicates that businessman and journalist Jorge Carpio Nicole is the leading candidate for the upcoming 11 November elections.

The Union of the National Center (UCN) presidential candidate was chosen by 30 percent of those polled, only two points above the controversial General Efrain Rios Montt.

Because of his participation in the 1982 coup d'etat, it is not yet certain whether the Constitution allows Rios Montt's candidacy.

According to CID-GALLUP, Alfonso Cabrera, the candidate of the governing Christian Democratic Party, occupies fourth place with only six percent. Cabrera follows Alvaro Arzu of the National Vanguard Party, who obtained 12 percent of the votes cast by the 1,455 people polled.

Carlos Denton and Olda Maria Acuna, however, who presented the poll's results, noted that the Guatemalan electoral panorama is still uncertain because a decision has not been reached regarding Rios Montt's candidacy.

If the former de facto president does not participate in the elections, Jorge Carpio's votes would increase to 40 percent and Arzu's votes to 21 percent, while Cabrera's votes would continue at six percent.

There are 13 presidential candidates for the upcoming elections. Vice presidents, congressmen, mayors, and Central American Parliament deputies will also be elected at these elections.

Jorge Serrano Elias of the Solidarity Action Movement (MAS) and Rene de Leon Schlotter, who represents the Democratic Socialist Party (PSD) and a faction of the Social Christian Party, occupied fifth place with two percent each. These candidates were followed by Colonel Luis Sosa of the National Liberation Movement (MLN), who obtained one percent of the votes.

Poll results indicate that 13 percent of the people polled have not registered for the elections, and 19 percent did not respond to the poll.

The CID-GALLUP results are similar to the results obtained by Guatemalan polling companies. CID-GALLUP is one of the two companies that anticipated Violeta Chamorro's victory in Nicaragua.

Rios Montt Discusses Electoral Participation

PA1509224690 Guatemala City PRENSA LIBRE in Spanish 14 Sep 90 p 4

[Text] Former president General Jose Efrain Rios Montt, presidential candidate for the party alliance PID-FUN-FRG [Democratic Institutional Party, National Unity Front, and the Guatemalan Republican Front], has said that the writ granted to him by the Supreme Court of Justice (CSJ) allows him to participate in the upcoming 11 November elections and win an absolute victory.

Rios Montt held a news conference at his home, where he expressed his satisfaction "because justice prevailed after waging a battle at all juridical levels." He stressed that this action reveals that he was right and that the Citizens' Registry (RC), based on a unilateral and fickle decision, had prevented him from registering as a presidential candidate.

Rios Montt added that his registration, ordered by the CSJ, is permanent and binding and that from now on he will continue his electoral campaign without any problems.

The RC has reported that the writ of amparo is provisional, so the registration may be subject to changes in the electoral process. These changes, however, would only be a formality.

Rios Montt said that some political groups want him out of the elections. While some have tried to kill me, others have tried to eliminate me politically, he added. The provisional writ of amparo clearly establishes that there is no legal reason for me not to run in the elections. Some might ask whether my picture will appear on the ballots, but that is an administrative problem, he said.

Rios Montt said that he was already properly registered as a presidential candidate, just as the CSJ demanded. We will step up our campaign and win the elections with a great majority of votes, the former president said during his meeting with local and international reporters.

Asked about destabilizing efforts, Rios Montt said: "Only the government or some other official sector would be interested in creating such a climate. I feel confident we will win the elections."

Nicaragua

* Sandinist Action on Hague Case Criticized

90CA0120A Managua LA PRENSA in Spanish 7 Aug 90 p 4

[Unattributed commentary: "The Hague Ruling and Sandinist Demagogy"]

[Text] The well-known flippancy with which the opposition party's daily newspapers handle the nation's burning issues has also been used in recent editions to explain to the citizenry the delicate matter of the complaint filed with the Hague Court by the previous government against the United States of America. The Court ruled politically in favor of the government of Nicaragua.

Among its other well-known outrages, Sandinism tried to leave the matter bogged down by virtue of a law—of dubious constitutional value—which elevates to the level of "national patrimony" the amount of the possible indemnification to be paid to Nicaragua for war damages. At the same time, the law prevents the current government from entering into negotiations with its counterpart on the complaint aimed at forcing it to desist in the search for full normalization of relations with the nation to the north.

Promulgation of this law (Law No 92 published in LA GACETA No 78 of 23 April 1990) two years before Violeta Chamorro took office constituted revenge against the United States for the election defeat suffered, a kind of reverse charge for the aid to democratization which that country lent to Nicaraguan democratic parties in order somehow to balance out the approaching and very unequal election fight. For the democratic government emerging from the elections, it was also an ambush laid on the route to economic recovery, which could not be fully achieved without the essential cooperation of the United States that might be affected if a solution to the conflict were not achieved.

Flying in the face of all the hopes and expectations of the people that this Sandinist "National Patrimony" law might create, its authors knew that complete payment of such indemnification would not be possible inasmuch as the Hague Court does not have the means to enforce its rulings and that, even if it did, the United States, citing the legal rules established by that same court, denied its jurisdiction.

Given these facts and unable to offer constructive alternatives enabling the government to engage in fair negotiations, Sandinism continues its triumphant switch to the most blatant demagogy, deceiving the people and searching for a way to make the problem even bigger than it was when inherited. The courtesy visit by Ambassadors Pickering and Schlaudeman to the president had to be exploited by the spokesmen for the wrong suffered, mistakenly seeking to destroy the legitimacy of the freely elected government.

It is not news to anyone that the meeting must obviously have dealt, along with other matters, with the solution to this thorny problem and the Hague ruling, which is nothing more than the inherited clumsiness with which Sandinism has handled diplomatic relations with that powerful nation to the north and which we know is a cloud hovering over the good relations which both our government and that of the United States have proposed to restore for the benefit of both nations.

Pushing aside the "red and black" pressure, we think the government should study the matter in depth and assume a position from which Nicaragua and its democracy will emerge with honor.

Panama

Linares Denounces Possible U.S. Aid Conditions

PA1409185790 Panama City ACAN in Spanish 1801 GMT 14 Sep 90

[Text] Panama City, 14 Sep (ACAN-EFE)—Panamanian Foreign Minister Julio Linares said today that his government is prepared to renounce part of the $420 million U.S. aid package if the conditions for receiving this money are adverse to the international banking center that operates in Panama. During a meeting with journalists, Linares said: If the country has to choose between aid and the financial system, "I believe that safeguarding the banking center is a matter of national interest."

Part of the aid approved by the United States has been conditioned to the signing of agreements that call for exchanging legal information to fight drug trafficking, something that would adversely affect the financial center, the bankers have said. Linares noted: "I do not like these conditions. I have never denied that. Many members of the cabinet do not like them, and President Guillermo Endara does not like them either. You can be certain that I am not going to sign any agreement that would destroy the financial center."

Noriega Bodyguard Reportedly Escapes Nunciature

PA1609221290 Panama City Radio KW Continente in Spanish 2150 GMT 16 Sep 90

[Text] Friendly listeners, in our determination to keep you well-informed, we have obtained information regarding Captain Eliecer Gaitan's escape from the Apostolic Nunciature in Panama City. According to reports we have received, Captain or former captain Eliecer Gaitan escaped from the Apostolic Nunciature this morning. He had been there since the U.S. invasion of Panama.

Linares, Endara View Escape

PA1709044890 Panama City Radio KW Continente in Spanish 0324 GMT 17 Sep 90

[Italicized passages are recorded]

[Text] Attention, this is a last-minute report: Captain Asuncion Eliecer Gaitan, former bodyguard of General Manuel Antonio Noriega, might have escaped from the Vatican's embassy sometime between the night of 14 September and the morning of 16 September, according to Foreign Minister Julio Linares. Julio Linares said that it is believed that Gaitan is still in the country. The foreign minister added that in the event he is in another country, a request for his extradition will be in order.

[Linares, in progress] *...to know exactly, but according to the report given by the Nuncio, that took place sometime between the night of 14 September and noon on 16 September.*

The foreign minister announced that the only information available about Capt. Gaitan leaving the Nunciature is the report given by the Nuncio, Msgr. Jose Sebastian Laboa. The foreign minister also said that the Vatican Embassy in Panama will probably present a written report on the departure of Mr. Gaitan.

[Linares, in progress] *None. The only information I have is what the Nuncio told me at about 1230 today. I am expecting to receive a written report tomorrow, and the Nuncio will probably be invited to visit the Foreign Ministry.*

[Reporter] *How do you describe the action? Is it an escape or what?*

[Linares] *As long as I do not have a report, I cannot describe the action. The fact is he is not at the Nunciature. It was early this morning when it was discovered that he was not at the Nunciature.*

[Reporter] *How come nobody noticed he was not there on Friday night?*

[Linares] *Look, I prefer to wait until the Nuncio presents a written report before I comment. So far, all we have is the verbal report. I prefer to see a written report first.*

In concluding, Foreign Minister Linares said that in the event Capt. Gaitan is in another country, the Foreign Ministry will file an extradition request.

[Linares] *The international situation is very difficult. He should not be allowed to enter any country. If he arrives at an airport, the government officials are going to have to make a decision. In that case, we would ask that he not be granted asylum. We would have to begin extradition procedures immediately.*

Meanwhile, President Guillermo Endara Galimany said that all he knows is what the Nuncio, Msgr. Jose Sebastian Laboa reported. The president said, however, that the departure of Gaitan from the Apostolic Nunciature could not be described as an escape.

[Endara] *All I know is that Msgr. Laboa notified the Foreign Ministry immediately. That is all I know.*

[Reporter] *What really happened? Did he escape? Was someone helping him?*

[Endara] *No. From what I understand, as Msgr. Laboa explained it to the foreign minister, he escaped. The man simply left the Nunciature. He was not a prisoner there. He just simply left. If you want to call this an escape, then it is an escape. It is not, however, really an escape.*

It was also learned that there is a possibility that Gaitan left the country in the past few hours through the Costa Rican-Panamanian border or through the Darien area toward Colombia.

New PCC Administrator Outlines Future Plans

PA1509044490 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Sep 90

[Report on interview with Panama Canal Commission Administrator Gilberto Guardia by unidentified reporter; place and date not given]

[Text] Gilberto Guardia has been confirmed as Panama Canal Commission [PCC] administrator by the U.S. Congress, thus becoming the first Panamanian to hold this position. Guardia, a civil engineer, has said he will take up the challenge.

[Begin recording, in progress] [Guardia] ....and the challenge we must face is that during the coming ten years, the current PCC must make the necessary adjustments to prepare for the transition that will take place on the last day of 1999 and the first day of 2000. This day should pass unnoticed by canal users. The boats that transit the canal on that day should not be aware of any change, and the waterway should continue to operate with the same efficiency and effectiveness as in the past.

To reach this goal, the PCC must make a series of adjustments during the next ten years. Simultaneously, the Panamanian Government must prepare, however, to define and establish the Panamanian agency that will

receive the canal in the year 2000 and must draft the necessary laws so that on the day of transition those new laws can be implemented.

[Reporter] There is a great deal of speculation concerning the future of the canal. Some sectors believe that the canal will be obsolete in the year 2000. What is going to be done by your administration to keep this waterway competitive?

[Guardia] The canal currently has competition that is not simply limited to the diversion of ships around Cape Horn. Rather, the real transportation competition is the U.S. railroad system, which moves cargo on containers from the west coast to the east coast and vice versa. These are new techniques and technologies that have come up and made it necessary for the canal to be continuously modernized, made more efficient, and have its operating costs reduced to compete. The canal is currently competitive, and this must be closely monitored to maintain this position. [end recording]

PTJ Chief on Curbing Drug Trafficking, Purges

PA1609225390 Panama City EL PANAMA AMERICA in Spanish 15 Sep 90 p 1

[Article by Juan Pritsiolas]

[Text] Leslie Loaiza, director of the Judicial Technical Police (PTJ), said on 14 September that he was optimistic about the "progress" in curbing drug trafficking and stressed that the "cleansing" within the ranks of his institution will be a continuous process.

Loaiza explained that during the last eight months, 215 people have been dismissed from the PTJ and that the purge will continue, although he admitted that dishonesty within the investigative agency has been wiped out to a great extent.

He also announced that he intends to remain at his director's post as long as his superiors consider it convenient, but noted that there is a draft law in the Legislative Assembly which calls for the director of the PTJ to be an attorney.

Leslie Loaiza did not seem to be worried about reprisals from the mafia, regarding the seizure of a shipment of cocaine worth 52 million balboas, saying that during his 24-year career four attempts have been made against his life.

Journalism Law Experts Discuss Media Ownership

PA1509040990 Panama City LA PRENSA in Spanish 4 Sep 90 p 15A

["Special report for LA PRENSA" by Franklin Bosquez D'Giovanni]

[Excerpts] When a dozen Panamanians met recently to discuss the future of the laws regulating journalism and the media in our country, they all agreed in many and varied fields, the sole exception being—as it has always been—the determination of how and who will decide who is fit to practice journalism in Panama.

Experts in various media participated in a two-day roundtable on journalistic legislation held at the Marriot Caesar Park Hotel. The roundtable was sponsored by the Central American Program of Journalism of Florida International University (FIU). [passage omitted]

In answer to a question on which media are currently in the hands of the state, National Media Director Edwin Cabrera said:

With the exception of the Panama, Darien, and Cocle Provinces, Radio Nacional has relay stations in the capitals of each of our remaining provinces. Alonso Pinzon is the manager of what is still known as the State Radio System (SER). The government's decision on the future of Radio Nacional (whether it will remain as it is now or whether it will be sold or leased) is still unknown. SER is part of the Presidency and if the radio system facilities are sold, the transaction will not include the transmission frequencies.

Panavision Television, Channel 5, changed owners at the same pace as the presidents appointed by the military dictatorship were changed. The National Financial Corporation (Cofina), which is a government institution, seized a large part of this television station's equipment because the loans granted to Panavision, which totaled in the millions, "were never paid off." The rest of the equipment is in the hands of the station's employees, who demand the payment of their labor benefits.

The Catholic Church, as an organization like many others, has expressed its need to have a television station to disseminate its faith through television. It is known that there is a foundation called FeTV [expansion unknown], presided over by Panama Archbishop Monsignor Marcos McGrath.

The GACETA OFICIAL is owned by the state, but as is known, it is a paper that publishes laws, decrees, and regulations in a detailed and specific manner.

Television Channel 11, an educational television station, is also owned by the state but jointly run by the Education Ministry and the National University of Panama. Its entire status is currently being revised because this station "was subject to political manipulation." The Japanese Government, which sponsors Channel 11, has stated that if we want the Japanese technical cooperation to continue, the television station cannot become a commercial station. At present, it has been proposed that this station operate under a board of trustees, in which the state would be a minority member.

There is no indication that Channel 5 and Channel 11 could be merged.

VISAT, the company that handles cable television in Panama, has also been run according to the criteria of the presidents appointed by the military dictatorship. For that reason, this company's license and the license of

Channel 14 (the cable television system of the U.S. Southern Command Armed Forces stationed in the Panama Canal area) have both been described as "corrupt." Neither of these two frequencies "has ever been granted." The legal representative of VISAT is Manuel Cohen Salerno.

Channel 2 or Televisora Nacional (TVN) has had several legal representatives, because during the last few years it has faced situations similar to those experienced by VISAT and Channel 5. It is known that the Peninsula Holding Company purchased the shares of this television station. Thus far, it has not been detected that the state invested money in this television station, although the final word on this will be given by the Comptroller General's Office. [passage omitted]

PRD: 'Revenge Policy' Could Lead to Violence

PA1709030990 Panama City LA PRENSA in Spanish 14 Sep 90 p 12-A

[Article by Zoila Rodriguez Jovane]

[Text] Leaders of the Democratic Revolutionary Party (PRD) have warned that if the political persecution of their leaders does not end, and "amnesty" is not declared, then the revenge policy sponsored by the majority in goverment could generate a "spiral of violence."

In a news conference, the spokesmen for what was once the main political party of the past government, pointed out that the "desire for revenge," the "unconstitutionality" of the penal procedures, and the existence of "political prisoners" could cause a "social explosion."

Carlos Duque, former presidential candidate during the foiled elections of May 1989, said that his party would like to see the "present government make it to the next elections."

The Legislative Assembly, in which the government holds an ample majority, is studying the recommendation handed down by the credentials committee, which calls for stripping the legislative immunity of Balbina de Perinan, Elias Castillo, and Alberto Aleman Boyd, all PRD legislators who are accused of promoting acts of violence, embezzlement, and electoral crimes.

"For the good of the country, we must reach an agreement, because without peace there is no democracy," added Duque, president of the party that backed the military regime of ousted dictator, Manuel Antonio Noriega.

Duque Jaen categorically denied that his party had made any deals with any of the political factions now in power to negotiate the legal charges, and condemned the struggle for political space, "which we have always criticized."

Meanwhile, PRD General Secretary Pedro Pereira has reported the existence of a "conspiracy" promoted by the legislative assembly to use the subject of immunity to divert public attention from the real problems the people are suffering from, due to the government's lack of response.

PNP, Molirena Parties Merge; Official Ousted

PA1709043290 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Sep 90 pp 24, B-10

[Article by Claudio Herrera J.]

[Text] The president of the Popular Nationalist Party (PNP), Olimpo A. Saez, announced on 13 September the group's merger with Molirena [Nationalist Liberal Republican Movement], and the expulsion of Jorge Flores, who held the post of secretary general, from the party ranks.

The PNP, a party that is being formed, will become part of Molirena in 48 hours, said Saez, calling the event an "act of political maturity in view of the national situation."

Saez, a legislator for Molirena, believes that the PNP is presently "a weak party," having only 8,000 members. "We are going with all of our ideals," he said of the political merger.

In justifying his alliance with the business sector, represented in that party, he said: "That makes us stronger." "We are going to create a current and try to make popular nationalism a part of the very being of Molirena."

During the news conference at the Molirena offices, a resolution expelling Jorge Flores "for having betrayed the confidence bestowed on him, the discipline and decisions of the majority of the party, and for abusing his position as director" was announced.

Flores has accused Saez of manipulating the PNP to benefit his own interests.

PALA Appoints New President Almaran

PA1709002590 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Sep 90 pp A-1, A-2

[Report by Emilio Sinclair]

[Text] During a meeting yesterday, said to be "convoked by the national directorate in its own right," Panamanian Labor Party [PALA] members swore in businessman Mr. Carlos Eleta Almaran as the new president, thus restoring rights he was deprived of during the previous "regime."

During a meeting filled with political enthusiasm, Carlos Eleta Almaran assumed his post and expressed his hopes for reorganizing PALA, which experienced a crushing defeat in the 7 May 1989 presidential elections.

The PALA meeting was held at noon on 15 September at the Roma Hotel in Panama City. Just a few kilometers away, another PALA faction held a meeting and elected a similar PALA board of directors at the Granada Hotel

owned by the Riande chain. The Electoral Tribunal will have the final word on which faction has true power within PALA.

Eleta Almaran will share his responsibilities as PALA president with First PALA Vice President Jeronimo Escala; Second PALA Vice President German Ruiz; PALA Sectretary General Campo Elias Munoz; and Deputy Secretary General Pedro Vallarino. These gentlemen will be the members of the PALA national Executive Committee until the PALA national convention is held.

The meeting, which Carlos Eleta Almaran described as "historic," will be considered inconclusive until the political situation of this group, which is plagued by political disputes, is clarified.

Abdiel Abrego, PALA national director in Chiriqui Province, was the first one to nominate Carlos Eleta Almaran for president. Referring to the leaders of the other PALA faction, Abrego described them as "trashy people who will be eliminated."

Upon accepting his appointment, and after the swearing-in ceremony, in which his followers expressed their support for him, Eleta said that "this is only the beginning of PALA's reorganization."

Eleta recommended an "immediate move away from party politics, to wait, and work for Panama with the slogan: "One single party, one single flag... to save Panama."

PALA was founded in 1983 with Carlos Eleta Almaran as party president. PALA's first presidential candidate was the retired General Ruben Dario Paredes, but his candidacy did not do well. PALA then joined the National Democratic Union (UNADE) and supported the presidential candidacy of prestigious Panamanian economist Nicolas Ardito Barletta, who had been the World Bank's vice president for Latin America until he became the presidential candidate. Nicolas Barletta won the elections, and PALA became part of the government. The then PALA National Directorate ousted Eleta Almaran from the PALA presidency and placed lawyer and journalist Justo Fidel Palacios in the post. Palacios died and Jorge Medrano immediately assumed the PALA presidency. At that time, Ramon Siero Murgas, brother-in-law of former general Manuel Antonio Noriega, who controlled the country from his headquarters on Avenue A., was the PALA secretary general.

Argentina

Destroyer Ready To Depart for Persian Gulf

PY1409220890 Buenos Aires DYN in Spanish 2112 GMT 14 Sep 90

[Text] Buenos Aires, 14 Sep (DYN)—Reliable sources have stated that two modern Navy missile vessels have concluded preparations and are ready to depart for the Persian Gulf to join the forces blockading Iraq whenever the executive branch gives the order.

The Meko-360 class destroyer "Almirante Brown" and the Meko-140 class frigate "Spiro" are the ships that have been readied.

The vessels, which would take 30 days to arrive at the area of conflict, are now ready and anchored at Belgrano Port, 700 km south of Buenos Aires.

The two vessels are equipped with modern weapons and communications equipment, including sea-to-sea M-38 Exocet missiles.

It is believed that within the next few days, the executive branch will adopt a definite decision on sending these vessels to the Persian Gulf once President Carlos Menem concludes reading the evaluation submitted to him by Foreign Minister Domingo Cavallo, who returned from a trip to Israel and Italy today.

On 13 September Cavallo discussed the topic with foreign reporters without giving full details of the pending decision, although he did acknowledge that sending the vessels was being studied.

Government Reaffirms 'Condemnation' of Iraq

PY1409214290 Buenos Aires DYN in Spanish 1858 GMT 14 Sep 90

[Text] Buenos Aires, 14 Sep (DYN)—Foreign Minister Domingo Cavallo today reasserted the Argentine Government "condemnation" of the Iraqi regime of Saddam Husayn. He also reaffirmed the government policy to support all UN measures on the Persian Gulf conflict.

Cavallo returned to Argentina today after a tour of the Middle East (Israel, Morocco, Egypt) and Italy. He immediately went to the Olivos residence to brief President Menem on the results of his diplomatic mission.

In remarks to the press at the Olivos residence, Cavallo regretted the Iraqi Government decision to attack the French ambassador's residence. Cavallo said: "Unfortunately Saddam Husayn continues to act in a manner that goes against human rights and universal rights."

"We reassert our strong condemnation and our full support for the UN resolutions that have thus far resulted in an economic blockade against the Baghdad regime," Cavallo pointed out.

He then said that the Argentine Government "advocates all measures necessary to face the conflictive situation in the Persian Gulf." He made it clear, however, that this position will be maintained "within the framework of UN decisions."

In response to a question, Cavallo denied that President Menem's administration is planning to send troops to join a possible task force in the conflict zone. He noted that so far, "the UN has not decided" to take such a measure.

Concerning his visit to Italy, he said he did not discuss with Italian authorities the scandal that resulted from Public Works and Service Minister Roberto Dromi's alleged criticism of the Italian position on the economic integration treaty with Argentina. He said, however, that Dromi's statements "were taken as a joke" by the Italian Government.

Cavallo said: "They did not attach any importance to Dromi's remarks because during a meeting with President Menem and myself, they realized that Argentina has adopted an attitude of respect, and they appreciate the Argentine Government's efforts in the area of bilateral relations."

He said that he talked with businessmen and Italian Government officials about the possibility of investing in Argentina and increasing oil production because of the Persian Gulf conflict.

Cavallo also said he met with Fiat President Giovanni Agnelli to discuss the possibility of making new investments in Argentina.

Regarding this, Cavallo said the well-known Turin businessman showed his "willingness" to improve the auto industry in Argentina.

On arriving at Ezeiza airport, Cavallo told journalists that the incident resulting from Dromi's statements "was just a mere anecdote without any further consequences." He added: "Argentina maintains very good relations with Italy, and Italian enterprises will come to the country to participate in the privatization process and make investments."

Cavallo Comments on Gulf Crisis

PY1509130490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1206 GMT 15 Sep 90

[Text] Buenos Aires, 15 Sep (NA)—Argentine Foreign Minister Domingo Cavallo has stated that "so far" the Argentine Government has not evaluated the possibility of sending troops to the Persian Gulf because for the time being there "is no war situation."

Cavallo explained that "should there be an armed conflict" and should the UN Security Council ask us to send troops, we would have to study this request and set into motion the mechanisms that every democratic nation has for making such a highly sensitive decision.

Cavallo made these remarks shortly after arriving from a tour that encompassed Israel, Morocco, Egypt, and Italy and before departing for Rio de Janeiro to attend the "first annual meeting of the Latin American Businessmen's Council [Consejo Empresario de America Latin].

Before leaving for Brazil, the Argentine foreign minister acknowledged that "the chances of arriving at a peaceful solution to the conflict" in the Middle East unleashed by Iraq's invasion of Kuwait on 2 August "are getting slimmer and slimmer." He reasserted that Argentina's position is to "do its best to help" reestablish peace in the region.

Menem Admits Possibility of Social 'Unrest'

PY1409192290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1146 GMT 14 Sep 90

[Excerpts] Buenos Aires, 14 Sep (NA)—President Carlos Menem has rejected the possibility of an eventual social breakdown but admitted that a recession may result in some social "unrest".

Menem also praised the San Martin branch of the CGT [General Confederation of Labor], which opposes the labor sector headed by Saul Ubaldini. Answering questions on his unfulfilled estimate of a single-digit inflation rate, Menem said: "The economy is very unpredictable." [passage omitted]

Menem made this statement during a guest appearance on the "Polemica en el Bar" program broadcast on Channel 11. [passage omitted]

Menem Concerned Over Military Salary 'Crisis'

PY1409164090 Buenos Aires DYN in Spanish 1116 GMT 14 Sep 90

[Text] Buenos Aires, 14 Sep (DYN)—President Carlos Menem has conveyed to military commanders his concern over the salary and budget crisis affecting all Armed Forces cadres and guaranteed that the problem will be considered should an emergency arise. Menem met with the Armed Forces commanders earlier today, and Defense Minister Humberto Romero will have lunch with them.

Additional payrolls were prepared last night to grant salary advances of fixed sums of 500,000 australes for officers and 300,000 australes for noncommissioned officers, to be paid today. This decision was made after unit chiefs reported to their superiors that personnel could no longer come to work because they did not have money for transportation.

The government was not able to comply with the military salary readjustment plan, according to which adjustments were to be made beginning 1 January based on the increase in the cost of living plus 50 percent of the inflation rate for the preceding month until a normal salary level was reached.

The crisis emerged in the military sector last week when Federal Police and Buenos Aires Police salaries reached a level 50 percent higher than those in the military sector and the security forces, which includes the National Gendarmery and the Naval Prefecture.

Government Nearing Extended Agreement With IMF

PY1409234090 Buenos Aires BUENOS AIRES HERALD in English 14 Sep 90 p 3

[Text] (NA)—Central Bank (BCRA) President Javier Gonzalez Fraga yesterday revealed that the government is close to establishing a three-year programme with the International Monetary Fund (IMF), which includes the possibility of participating in the Brady debt reduction plan.

Gonzalez Fraga stated that the programme "will enable the foreign debt to be shrunk, and will essentially bolster confidence, which will itself push interest rates down and bring capital back into the country."

"We've worked hard," he added, to create the conditions necessary to achieve this "extended agreement" with the IMF.

Referring to the results already obtained by the government, Gonzalez Fraga stated that public expenditure "has been cut by four billion dollars" between 1989 and 1990, and that "the Central Bank reserves currently amount to 2.2 billion dollars."

This level of reserves, he pointed out, had been achieved despite payments to multilateral lending organizations over the last 12 months.

With regard to future goals, Gonzalez Fraga stated that "from now on, we will strive to obtain a monthly fiscal operating surplus of between 200 and 300 million dollars."

He then gave the assurance that the Central Bank would no longer continue with its policy of bying dollars to boost its foreign currency reserves or to influence the exchange rate "through printing money." He added, however, that "we will do it using the fiscal operating surplus."

Minister on Need for Integration With Japan

PY1409221490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1627 GMT 14 Sep 90

[Text] Buenos Aires, 14 Sep (NA)—Foreign Minister Domingo Cavallo today said that the "main performers" of the Argentine-Japanese integration process are the private businessmen of each country.

He made it clear that the Argentine Government gives special priority to the integration process with Japan, saying that it will take "all necessary measures to promote that cooperation."

Cavallo spoke during a luncheon at Palermo within the framework of the Dr. Saburo Okita Seminar that was sponsored by the Argentine Rural Association.

Cavallo was scheduled to speak at the closure of the seminar but, as he explained, he was unable to attend because he had to "fulfill a duty."

In his message he referred to "the political significance that these efforts represent for the national government and to the main conclusions we can obtain from it."

He said that the Government "gives priority to cooperation with Japan." To meet this objective he proposed that "all accords, arrangements, and measures be promoted so that they can provide the formal framework and the ideal mechanism under which to conduct this cooperation."

He added that the government will gradually "adopt the necessary measures to promote that cooperation."

He said that Argentina will have to also consider Japanese interests if we are to achieve this objective. He said that the government will ask Congress "to take joint actions with these (?objectives)."

He added that all these policies and measures "are part of the processes of reorganizing and streamlining the public sector, the transport, energy, and communication sectors, and with the labor market."

"If we reach these objectives" we will then establish the basis for a cooperation policy with Japan." Within this framework the Okita report acquires importance, Cavallo said.

He noted, however, that "Argentine and Japanese businessmen are responsible for implementing the cooperation policy with Japan."

He said that "the immediate objective" of this policy should be to "reach efficient competitiveness."

He finally said that this policy should favor the creation of "an excellent atmosphere for the Argentine and Japanese investments, as well as for other foreign investors."

Telephone Workers Vote for End to Strike

PY1709010590 Buenos Aires BUENOS AIRES HERALD in English 15 Sep 90 p 7

[Excerpt] (NA-DYN)—Hector Esquivel, Secretary-General of the FOETRA [Federation of Telephone Workers of the Argentine Republic]-Buenos Aires telephone workers union, said yesterday that the 5,500 union members who met yesterday afternoon to discuss what steps to take in their two-week-long strike decided to lift the protest measure "in order to negotiate with the government the issue of the 437 workers who were laid off during the strike."

Before the meeting, ENTel [National Telecommunications Enterprise] trustee Maria Julia Alsogaray explained that "independently of what the workers decide, our position will remain the same: We want them to lift the strike without conditions."

FOETRA started the strike on August 27 to demand a pay increase of 35 percent. The company fired some workers, and even when it later offered a 42 percent hike, the union decided to continue their protest to demand the rehiring of those laid off.

On Thursday ENTel published a paid ad in several local dailies calling on its workers to "come back to work." The statement read that "all those heeding this call will receive from the national government and the company the protection allowing the full exercise of their constitutional right to work and the preservation of their jobs."

After the FOETRA meeting, Esquivel made it clear that the union would continue the strike if the government fails to rehire the workers. The discussions in the Atlanta soccer stadium took only 45 minutes, after which the delegates voted by raising their hands.

Esquivel told the union leaders that San Justo Bishop Rodolfo Bufano would continue as mediator in the conflict. "He has offered his services as guarantee for rehiring those dismissed by the company," he said in his speech. [passage omitted]

Bolivia

DEA Agents Accused of Destroying Roads

PY1409153090 La Paz Radio Fides in Spanish 2330 GMT 13 Sep 90

[Text] The drug-trafficking committee of the Chamber of Deputies will leave for Cochabamba tomorrow to verify reports on the destruction of roads by DEA [Drug Enforcement Administration] agents. Deputy Gregorio Lancer will give us further details:

[Begin Lancer recording] We are going to overfly in a helicopter the Chapare zone and bordering areas to see how the alternate development projects are coming along. The Committee for the Struggle Against Drug Trafficking has stressed the need to support and develop projects in this sector as a priority issue.

We are also trying to verify reports on the bombing of roads by Umopar [Mobile Rural Patrol Unit] and the DEA. We are trying to verify these reports in order to achieve a much broader and more objective view of what is really happening in that region.

The Committee for the Struggle Against Drug Trafficking has confirmed that a seminar will be held by the end of this month to consolidate the national position on the alternate development program to prevent the militarization of the struggle against drugs. [end recording]

PRC's Qian Qichen Makes Arrival Statement

PY1409141690 La Paz La Red Panamericana in Spanish 1130 GMT 14 Sep 90

[Text] PRC Foreign Minister Qian Qichen arrived last night from Lima, Peru. Qian Qichen, who held an impromptu news conference upon his arrival, was welcomed at the El Alto airport by PRC Ambassador Xie Rumao and Bolivian Foreign Ministry protocol officers.

During his talk with journalists, Qian Qichen explained the reasons for his visit to Bolivia and noted that he will hold meetings with government authorities and sign cooperation agreements. PRC Ambassador Xie Rumao also said that the Bolivian Foreign Ministry has arranged a schedule that includes meetings with [words indistinct] Jaime Paz Zamora and Vice President Luis Ossio Sanjines.

[Begin Xie Rumao recording] The Foreign Ministry also confirmed that they will hold a working meeting with the Bolivian foreign minister [words indistinct]. [end recording]

Qian Qichen pointed out that this was the first tour through Latin America by a high-ranking PRC official and that Bolivia was the second country on his tour.

[Begin Qian Qichen recording in Mandarin with passage-by-passage translation into Spanish] The purpose of my visit is to strengthen bilateral ties and cooperation. I am certain I will fulfill these objectives. [end recording]

Qian Qichen Meets With Paz Zamora

PY1509030090 La Paz Television Boliviana Network in Spanish 0030 GMT 15 Sep 90

[Text] Today President Jaime Paz Zamora met with PRC Foreign Minister Qian Qichen, with whom he discussed topics of common interest. The PRC foreign minister also met with Bolivian Foreign Minister Carlos Iturralde Ballivian, Planning Minister Enrique Garcia, and Finance Minister David Blanco. Foreign Minister Iturralde reported on the subjects discussed with PRC minister:

[Begin recording] We discussed aspects of the aid Bolivia has received from the PRC. This afternoon we are going to sign new cooperation agreements. We especially discussed PRC aid to the agricultural sector and problems pertaining to the marketing of minerals. We also discussed global problems. We touched on every significant subject in our bilateral relations. [end recording]

The Bolivian Government and the PRC today signed a technical and economic cooperation agreement involving a nonreimbursable grant totaling $6.5 million, which is earmarked for technical aid and equipment.

Speaking in the name of the president of the Republic, Foreign Minister Iturralde expressed thanks for the PRC aid and emphasized the ties existing between the two nations.

For his part, Qian said he was pleased to sign the agreement and conveyed his gratitude for the audience he had with President Paz Zamora. He also emphasized the strengthening of our bilateral ties.

Later, the two foreign ministers gave a news conference on details of the agreement. Iturralde said:

[Begin recording, in progress] ...partial restoration of the Cochabamba irrigation project and the sowing and processing of tea. Over 90 percent of the 5.3 million [currency not specified] has already been used. The second agreement we signed also totaled 5.3 million [currency not specified], of which nearly five percent has already been disbursed. Bolivia will propose the following projects under the second agreement: An underground water project in the Chaco region of Tarija, a program of small hydroelectric projects in Tarija Department, the Sachojere balanced food [alimento balanceado] project, and financial support for the Peasant Development Fund.

We do not yet have projects for the agreement signed today, which totals $6.5 million. Under the three agreements, funds are used for both projects and technical assistance, and for purchasing equipment. This is just to give you an overall idea of our relations and of this type of agreement.

Furthermore, the PRC is also giving us a nonreimbursable donation of approximately $500,000, which is designed to provide technical assistance and general supplies. [end recording]

Qian discussed the Persian Gulf crisis and other international issues, as well as his visit to Bolivia.

[Begin recording of Spanish translation] This document reflects the excellent relations existing between our two countries and our decision to further promote bilateral relations. I have been in the country for only 24 hours. During this brief time, I have done a lot of work and have fulfilled my mission, thanks to the cooperation and fine attention that his excellency, the president, and the government and people of Bolivia have accorded me. [end recording]

Finance Minister on Privileged Economic Status

PY1409213790 La Paz Television Boliviana Network in Spanish 0030 GMT 14 Sep 90

[Text] Finance Minister David Blanco has said that the inflation rate from January to September totals 8.09 percent. He added that Bolivia has a stable economic situation—that is, it is enjoying a privileged situation among Latin American countries.

[Begin Blanco Recording] Statistics available to 7 September 1990 show that Bolivia is enjoying a privileged situation among Latin American countries because the government has achieved its objectives regarding its financial and macroeconomic goals.

The accumulated 1990 inflation rate to the second week of September totals 8.09 percent. Within this context, we have continued to implement a free exchange rate policy. As a result of it, the exchange rate has increased only five percent.

We are also complying with the goals established for 1990 regarding the issuance of money. We have reached a level of about 533.3 million Bolivian pesos. This shows a reduction in the financial component of the public deficit. [end recording]

Mexico's Salinas, Andean Leaders To Visit

PY1409153690 La Paz Television Boliviana Network in Spanish 0030 GMT 14 Sep 90

[Text] Javier Murillo, Bolivian Foreign Ministry under secretary general, today reported that the president of the Republic of Mexico will visit Bolivia in October to meet with Jaime Paz Zamora, Bolivia's chief of state.

[Begin Murillo recording, in progress] ...several very important international meetings. The foreign minister will attend the UN General Assembly in Washington soon. In addition to this important international event, other notable visits have been announced. His excellency the president of Mexico is expected in Bolivia during the first week of October, and Foreign Minister Cavallo of the Argentine Republic is also scheduled to visit our country. An Andean presidential summit has also been scheduled to take place here in late November. [end recording]

Parabolic Antenna Network Planned for TV

PY1509033490 La Paz Radio Fides in Spanish 2330 GMT 14 Sep 90

[Text] Migration Under Secretary Jose Luis Paredes has announced that under the current government's sovereignty plan for populating the country's border areas, Interior Ministry and Entel [National Communications Enterprise] officials will meet next week to see how to implement installation of a parabolic antenna system around the country. He said the purpose is to keep the population informed of developments in Bolivia.

[Begin Paredes recording] The national network of parabolic antennas is a project sponsored by the vice president of the Republic. We will seek financing from the Italian and Spanish Governments, or any other government that wants to cooperate. The idea is to install parabolic antennas at various sites and in the country's border areas so the population can watch the Bolivian channels and be informed about what is happening in our country. This is a very important project that should be implemented as soon as possible. To this effect, a meeting will be held next week between Entel officials and a group of experts to detail the project so financing can be sought. [end recording]

Brazil

Talks Resumed for Release of Technicians

PY1409224090 Rio de Janeiro O GLOBO in Portuguese 14 Sep 90 p 14

[Report by Jose Meirelles Passos]

[Excerpt] Baghdad—In light of an imminent war, the Brazilian engineers and technicians who have been working for one year developing an air-to-air missile for Saddam Husayn's government have recently begun direct negotiations with the Iraqis on the issuance of permits to leave Iraq. They are, however, anxiously waiting for President Fernando Collor de Mello to come to their rescue.

Brigadier Hugo de Oliveira Piva, the leader of the group, arrived in Baghdad Wednesday [12 September] night to resume his parallel negotiations. Yesterday, after meeting with Iraqi officials, Piva told O GLOBO that he hopes Ambassador Paulo Tarso Flecha de Lima—Collor's special envoy, who will arrive in this capital tomorrow—will take action on behalf of his people.

In Piva's opinion, his people cannot be regarded as a group of outcasts, primarily because the Brazilian Government has always been aware of the work they have been carrying out in Iraq.

Piva said: I trust Flecha de Lima will also address our case. We are as Brazilian as the Mendes Junior and Volkswagen workers. The Brazilian Government always knew we were here. Everyone registered at the Brazilian Embassy. I am counting on some actions by Ambassador Flecha de Lima. A political decision should be made here. The best thing for Brazil to do is to hold a package negotiation designed to obtain the release of all Brazilians being detained here. [passage omitted]

PLO Assistance Sought in Release of Nationals

PY1409233090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Sep 90 p 8

[Excerpt] Brasilia—In addition to the special mission headed by Brazilian Ambassador in London Paulo Tarso Flecha de Lima, which departs today from London for Iraq, Itamaraty officially announced yesterday a new, broad diplomatic offensive aimed at the release of Brazilians retained in Iraqi territory, although its success is uncertain. One of the channels mentioned is, for instance, the Palestine Liberation Organization (PLO) in a move that, according to an influential diplomat, may arouse suspicion and mistrust in important allies like the United States.

The offensive includes contacts with the Governments of Tunisia, Algeria, Jordan, Sudan, and Yemen, which are considered to be on friendly terms with the Government of Iraq. Iraqi diplomats who are considered to have influence with the Baghdad government are also being consulted. These diplomats are the Iraqi representatives

to the United Nations, Washington, Paris, Bonn, Moscow, and New Delhi. Talks are also being maintained with the OAS, the PLO (through its bureaus in Tunis and the United Nations), the International Red Cross, the Red Crescent (the Muslim version of the Red Cross), and the UN Office of High Commissioner for Refugees. Itamaraty is asking these channels to convey to President Saddam Husayn its arguments for the concession of exit visas to Brazilians detained in Iraq. [passage omitted]

Kuwaiti Minister Brings Message From Amir

PY1509015490 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 14 Sep 90

[Report by Mirian Dutra from Brasilia]

[Text] An envoy of the overthrown Kuwaiti Government has arrived in Brazil on a special mission. During a meeting with Foreign Minister Francisco Rezek, the Kuwaiti electricity minister said that Brazil plays an important role in the Persian Gulf conflict.

The Kuwaiti electricity and water minister arrived from Caracas, Venezuela. Before that, he went to Mexico, Cuba, and Colombia.

The Kuwaiti minister came to Latin America on a special mission: To deliver a message from Amir Al-Sabah, the Kuwaiti chief of state who was overthrown by an Iraqi invasion.

Amir Al-Sabah is thanking the Latin American countries for their position on the invasion and asking all of them to continue observing the UN economic blockade.

The overthrown Kuwaiti Government believes that Iraqi President Saddam Husayn will yield only after he is completely isolated by the world.

During a news conference this afternoon, the Kuwaiti minister remembered the invasion and talked about the economic blockade. The minister said that Brazil plays a very important role in this case because of its economic relations with Iraq.

[Begin Foreign Ministry spokesman Jose Vicente Pimentel recording] Not only Kuwait, but the rest of the countries in the world will find that Brazil's position in this case is positive, clear, and unequivocal, and that it will assist in finding a solution to the crisis. [end recording]

Army Reveals Participation in Nuclear Project

PY1609235090 Madrid EFE in Spanish 1808 GMT 16 Sep 90

[Text] Rio de Janeiro, 16 Sep (EFE)—For the first time, the Brazilian Army today revealed to the public its participation in a project for the construction of a nuclear reactor of the MHTGR type (Modulated High Temperature Gas-Graphite Reactor). The experimental unit will reportedly begin operating in 1994.

O GLOBO, which released the information today with extensive coverage, said that the Army command has decided to begin an "opening" process with its nuclear projects, which so far have been protected under the secrecy of the so-called Parallel Nuclear Program. However, the National Nuclear Energy Program must be approved by President Fernando Collor de Mello, the first president elected by vote since the 1964 military coup. The program must also be adjusted to the regulations established by the 1988 Constitution.

General Romero Lepesqueur, Army secretary of science and technology, and General Nelson de Almeida Querido, director of the Institute for Special Projects (IPE) of the Army Technological Center (Cetex), said the projects have no military objectives.

Gen. Lepesqueur said: "Our plan is to fill a vacuum in the Brazilian nuclear program. The MHTGR reactors are the reactors of the future because of their inherent safety. It is the Army's contribution to the development of nuclear energy."

Lepesqueur also revealed that an early stage of the MHTGR program is already in full development. This step involves the construction of the so-called Experimental Radiation Reactor (REI), which uses natural uranium as fuel, air for cooling, and graphite as a moderating factor.

IPE technicians have been able to develop pure nuclear graphite production, making Brazil one of the select seven countries that controls this strategic technology. IPE technicians are already working with a subcritical reaction unit that is suitable for research.

O GLOBO said that the big question about the REI concerns the fact that it produces as a by-product a large quantity of plutonium, which is one of the key elements in atomic weapons, and that this reactor is outside the control of the IAEA [International Atomic Energy Authority].

Lepesqueur said: "How to use the plutonium that must be separated from the fuel burned by the reactor is a government decision. The Army has no specific objectives in nuclear research. There are no tanks moved by nuclear fuel."

General Nelson de Almeida also explained that to prevent any doubts or incorrect interpretations of the objectives of the current nuclear research, the Army decided that the REI should produce no more than five megawatts of power instead of the 10 megawatts proposed in the original project. General de Almeida said: "These are strategic limitations to make it clear that the Army has no intention of getting plutonium to make nuclear weapons. In other words, it will have the lowest power possible. The REI will only be used for research."

Despite the guarantees given by the military chiefs, O GLOBO said that the Brazilian Army's plan for the

development of nuclear technology is similar to the one followed by the United States in the forties to produce the first atomic bomb.

Senate To Ask About Iraqi Trade Relations

PY1509023090 Brasilia Domestic Service in Portuguese 2200 GMT 14 Sep 90

[Report by Antonio Carlos Silva from Brasilia]

[Text] The Senate wants to know the status of trade relations between Brazil and Iraq. An information request will be sent to the government before next Monday [17 September].

The information request, sponsored by Senator Jutahy Magalhaes, was approved in a plenary session last Thursday. It will be sent to Ambassador Marcos Coimbra, the secretary general of the presidency; Foreign Minister Francisco Rezek; Economy Minister Zelia Cardoso de Mello; Aeronautics Minister Socrates Monteiro; Army Minister Carlos Tinoco; and Infrastructure Minister Ozires Silva.

Jutahy Magalhaes wants to know if contracts with Iraq are beneficial for Brazil. He explained what he intends to do with this information.

[Begin Magalhaes recording] First, we will inform our nation about the real situation, and we will discuss this issue with society to see if we must (?or must not steer away) from these accords while there is a crisis; there is a UN decision.

After the crisis, will the government resume what it has been doing? Is it (?advantageous) to national interests? (?These are some questions), and we want to dispel doubts. [end recording]

As soon as it receives the request, the government will have 30 days to provide the information.

Minister Signs Letter of Intent With IMF

PY1409143090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Sep 90

[Text] Economy Minister Zelia Cardoso de Mello signed a letter of intent with the IMF in the name of the Brazilian Government, which—she said—plans to carry out quick, constructive, and positive negotiations. The Brazilian Government also intends to exclude the foreign debt issue from the agenda of great national problems.

The letter of intent states that the government is predicting a three-percent drop in the GDP in 1990 and a three-percent growth rate in 1991. Monthly inflation for the second half of this year is expected to average seven percent, which means that it will be necessary to drastically reduce the indexes in the next few months. [sentence as heard]

The situation predicted for 1991, however, is a bit more optimistic. The government expects annual inflation to be not greater than 25 percent, which would mean a two-percent monthly inflation rate.

Contrary to letters of intent signed by former governments, payment to foreign creditors will be restricted by Brazil's ability to generate funds without harming anti-inflation efforts and economic growth.

The government also announced that negotiations with the Paris Club and creditor banks will resume in Washington next week.

Finance Policy Council Meets, Discusses Taxes

PY1409144090 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Sep 90

[Text] The National Council for Finance Policy, Confaz, has met at the Economy Ministry and authorized exemptions from the ICMS [Goods and Services Movement Tax] for cars of up to 100 horsepower used as taxis. During the meeting Minister Zelia Cardoso de Mello sent a message to state governors: They must reduce their deficits, just as the federal government is doing.

During the Confaz meeting, Minister Cardoso asked state finance secretaries to follow the austerity policy adopted by the federal government in the administration of expenses and debts. She said that it is now important to guarantee economic stability and the growth process to face national social problems.

Central Bank President Ibrahim Eris, who also participated in the opening session of the meeting, said that the internal debt increased from 15 to 45 percent between January and today. He said it is time for the states to try to avoid issuing new state bonds and to pay as much as possible on the bonds they have already issued.

The Confaz meeting also tried to make sales of 100-horsepower cars used as taxis exempt from the ICMS tax. The finance secretaries argued about the decision to charge the ICMS tax on fruit and vegetable products. While most of the secretaries wanted this tax exemption, Sergipe Finance Secretary Andre Mesquita was against it. Since the Confaz can only make unanimous decisions, sales of fruit and vegetable products will be charged a 17-percent tax.

National Finance Secretary Geraldo Cardenalli said that the federal government is not happy with this measure and that this tax will affect inflation. It was also decided to apply the ICMS to flower and banana exports. The finance secretaries did not agree on this issue either, with Mesquita opposing the application of the ICMS.

Chile

High-Ranking 'Lautaro' Leaders Said Arrested

PY1509174590 Buenos Aires TELAM in Spanish 2008 GMT 14 Sep 90

[Text] Santiago, 14 Sep (TELAM-ANSA)—The police have reported that three alleged high-ranking leaders of the Lautaro leftist subversive group [Lautaro Youth Movement or Lautaro Popular and Rebel Forces not specified] have been arrested in Chile, but no names have been released. Weapons were also found during the operation but no details were released.

However, the official secrecy surrounding the operation and its results did not prevent information leaks confirming the significance of the arrests. Sources close to the police have indicated that "in addition to the three high-ranking leaders of the Lautaro group, several other people involved with them were also arrested, and their backgrounds are being investigated."

It was also reported that "the people arrested may have been involved in a number of subversive attacks that have taken place in Santiago over the last few months." These attacks included armed robberies of banks and stores, raids on police stations, and clashes with police units that resulted in police casualties.

An effort is being made to confirm whether "these alleged extremists participated in the murder of former Air Force Commander Roberto Fuentes, who had worked for the intelligence services of the defunct military regime."

The police also confirmed the arrest of Mario Gatica, 35, who was hospitalized after his right hand was blown off by a bomb that he had been manipulating at his home.

The owner of the house, Professor Serio Pulgar, explained that he rented the house four months ago to four youths who claimed to be university students. The youths had turned the garage into a kind of cell, which leads one to believe that they may have been planning to carry out kidnappings and use the garage as a clandestine prison.

Finance Minister on Foreign Debt Renegotiation

PY1409225390 Santiago Radio Cooperativa Network in Spanish 2300 GMT 13 Sep 90

[Report by Manuela Robles]

[Text] Finance Minister Alejandro Foxley has said that the government will ask foreign banks for a three-year postponement of the payments on foreign debt amortizations.

The finance minister held a three-hour meeting with President Patricio Aylwin during which he reiterated that the priorities of the budget lie in the health, housing, and education sectors.

Foxley added that the 1991 budget contemplates a four- or five-percent growth rate and a zero fiscal deficit. He denied that this year the growth rate will be negative, claiming that it will grow by one percent.

Foxley said that he disagreed with Sofofa [Industrial Development Association] President Fernando guero who predicted 30-percent inflation for 1990.

Concerning the debt renegotiation that will begin soon, Foxley announced that a petition will be made to the banks to postpone the payments on amortization for three years and to make annual on time [preceding two words in English] payments on interest rates—not every six months as before, which will help the balance of payments.

[Begin Foxley recording] Finally, we are interested in gaining access to their credit markets.

Bankers tell us that Chile's economy is one of the most solid in Latin America and that it can function like that of the industrialized countries. This means that when our investors need funds they can resort to the international financial market and secure credits under normal conditions. That situation changed when the debt crisis occurred. [end recording]

Foxley said that the $20-million untied loan that the Netherlands granted to the Chilean Government represents a good sign for Chile.

[Begin Foxley recording] We will tell the bankers that we will perform like good debtors in the future and that we want the renegotiation of the debt to open the gates so that we can negotiate voluntary credits on the international financial market.

This renegotiation of the debt represents an opportunity to strengthen our country's development and growth instead of becoming, as is the case with other Latin American countries, a burden that makes difficult the stabilization of their economies and their production. [end recording]

Alejandro Foxley said that over the next three years Chile would have to pay an average of about $1.5 billion in amortizations and a similar amount in interests.

Lastly, concerning the budget, the finance minister announced that the budget bill will be submitted to Congress in late September and that he will give an explanation on the public debt in early October.

Foxley To Renegotiate Debt

PY1509214090 Santiago Domestic Service in Spanish 1700 GMT 15 Sep 90

[Text] Regarding the foreign debt, Finance Minister Alejandro Foxley has maintained that Chile can enter a new stage.

The minister based his remark on the fact that stability and the confidence that the Chilean economy inspires

allow the possibility of postponing payments and at the same time of having access to new methods of external financing; therefore, the canceling of current obligations will not be so expensive.

Foxley, together with Foreign Debt Coordinator Eduardo Aninat, will travel to New York with the objective of renegotiating with creditor banks approximately $4.8 billion in debt.

Minister Discusses Possible Army Confinement

PY1409191790 Santiago Radio Chilena Network in Spanish 1700 GMT 14 Sep 90

[Text] Interior Minister Enrique Krauss has said that a possible confinement to barracks by the Army, which was mentioned in a press report, would not be in keeping with the current situation.

[Begin Krauss recording] I believe that it would not be in keeping with the current situation and that it would be an overreaction. It would be unjustified in view of the efforts that have been made to handle the undoubtedly complex situation. We have begun a type of renewed democracy in which all sides must contribute. [end recording]

Krauss said that during this renewal all sectors have performed normally and that, despite their differences, they have made their contribution to help unite the vast majority of Chileans so that this country may rediscover its historical traditions.

The minister said he is confident that there will be no demonstrations against General Pinochet when he comes to La Moneda on 20 September.

As for the charges leveled by some sectors against the carabineros in connection with the mistreatment of demonstrators, Krauss said that the situation has been totally clarified and that the carabineros commanders are investigating the charges.

The minister said that the discovery of a terrorist cell shows that, contrary to what has been said, the police are complying with their duty of deactivating the terrorists groups that still persist and that have not joined the national process of reconciliation and democratization.

Army-Government Relations Said 'Normal'

PY1509170090 Santiago Domestic Service in Spanish 1100 GMT 15 Sep 90

[Excerpt] Interior Minister Enrique Krauss has said that relations between the government and Army are absolutely normal, adding that the situation that led the president to summon General Augusto Pinochet to La Moneda Palace is a common one that can happen under any political regime. The minister made this statement after meeting with members of the government's economic team at the Finance Ministry, where each ministry's budget was analyzed.

It is absolutely normal, the minister said, for the president to summon one of the chiefs of subordinate services for a conversation at La Moneda.

[Begin recording] [Krauss] In any political regime, it is normal for the president to summon a chief of a subordinate service. It is absolutely normal.

[Unidentified reporter] Have relations deteriorated after the remarks by Gen. Pinochet?

[Krauss] I don't think they have.

[Reporter] How would you define relations between the government and...?

[Krauss, interrupting] Absolutely normal. [end recording] [passage omitted]

PDC President on Armed Forces Democratization

PY1509173090 Santiago Domestic Service in Spanish 1100 GMT 15 Sep 90

[Text] Christian Democratic Party [PDC] President Andres Zaldivar has said that he does not support the so-called democratization of the Armed Forces and that his party has never proposed this. He added that his party will not endorse any impeachment of Captain General Augusto Pinochet Ugarte, Army commander in chief.

[Begin Zaldivar recording] We consider such a step at this time to be absolutely inapplicable and inappropriate. We are not concerned about it at this time. The PDC has clearly stated that it does not believe that such an action would be feasible or appropriate at this time. [end recording]

He noted that it is very important to clarify several situations that are a bit unclear and for the people to learn about them in order to dispel doubts.

[Begin Zaldivar recording] I believe there is an attempt to conceal the fact that a political party has engaged in something that we regard as absolutely unacceptable; this party has reported to the barracks, practically knocking at their doors. This is inappropriate. Third [as heard], there is a problem that I believe should be clarified. It is the charge over the checks that the Army issued in the name of Augusto Pinochet's son. I believe that for the sake of Gen. Pinochet, the Army, and the nation, this issue should be clarified as soon as possible. It is not good for such a situation to remain unresolved; it is a charge that could affect the honor of a person or the responsibility of an institution as important as the Army.

I believe that the democratization issue has been used in an attempt to conceal all this. Consequently, we should clarify it now. There is no democratization, and no one has mentioned the issue. It is not part of the military policies. What we have said is that the Armed Forces,

like all the other authorities, should fulfill their constitutional mission. [end recording]

Asked about relations between the Army and government, Zaldivar said that they are very good and that Chileans should be assured because President Patricio Aylwin wants conversation and dialogue. As for the upcoming meeting between Gen. Pinochet and the president, Zaldivar said that it is a normal meeting under a democratic government.

National Drug, Narcotics Commission Created

PY1409200790 Santiago Domestic Service in Spanish 1100 GMT 14 Sep 90

[Relay by (Pedro Buca) from Valparaiso]

[Text] Interior Minister Enrique Krauss has reported here in Congress that the government has created the National Commission for the Control of Drugs and Narcotics. The minister spoke after a secret session during which the Chamber of Deputies analyzed the problem of drug trafficking and the laundering of dollars.

The minister said that the commission will coordinate the work performed by all the state-run organizations that fight the consumption and trafficking of drugs, particularly cocaine. This trade has increased over the past 20 months in Chile.

The secret session, during which the issue was comprehensively analyzed, lasted almost four hours. House Speaker Carlos Dupre later said that the house blocs were unanimous on the subject and that all the resolutions were approved by a broad margin.

In addition to creating the national commission, the house initiated a letter to the public, especially addressed to the youth of the country. The letter warns of the danger of this scourge which year after year claims many lives and requires substantial resources all over the world. The letter will be written by a specialized government group.

Another house resolution approves special laws on the use of neoprene [as heard] and on the sensitive dollar laundering issue through which drug traffickers make legal investments in several countries, thus making huge profits from the funds obtained from the illegal drug business.

The session was also attended by Health Minister Jorge Jimenez de la Jara; General Horacio Toro, retired, Investigations Department director general; Carabineros General Alfredo Nunez, the director of the Order and Safety Department; Interior Under Secretary Belisario Velasco; and other high-ranking police officers.

The Interior Minister emphasized that the session was very productive because it stressed the need to resolve one of the major problems that could affect our country. He said: I have to thank all lawmakers, both from the government and from the opposition, because they overcame their political differences and faced a threat that hangs over all Chileans, particularly over our youth.

I would like to emphasize the relevant role played by the lawmakers of the 1st Region who sounded the alert because their region has suffered the most serious consequences of the problem.

Minister Krauss commented on reports that drug traffickers might be making investments in Chile in order to launder money from the drug-trafficking business—thus legalizing it and putting it in circulation:

[Begin recording] The following theory may be true: It is possible to conduct this type of operation—like the simultaneous currency exchange transactions—in Chile because it is among those with the least number of economic restrictions in the world. The Chilean economy undoubtedly has the least number of restrictions on our continent.

This issue has been reported by the international press, U.S. Government agencies have warned about it, and the Finance Ministry and the superintendent of banks are considering requesting the approval of laws to control the situation. [end recording]

The minister reported that the police are investigating the life in Chile of a high-ranking Italian drug Mafia chief who recently died in a car accident in Santiago. The Italian court had requested his extradition.

Paraguayan Foreign Minister Arrives for Visit

PY1409150590 Santiago Domestic Service in Spanish 1100 GMT 14 Sep 90

[Text] Upon arriving in Santiago for a four-day official visit, Paraguayan Foreign Minister Alexis Frutos Vaesken yesterday noted the similarities between the Paraguayan and Chilean political and economic processes and the fact that both countries' international policies support integration.

Frutos was welcomed at the international airport by his Chilean counterpart Enrique Silva Cimma and given the military honors appropriate to his rank.

In his first contact with the Chilean media, Frutos stressed that his country wants to promote relations with Chile in several fields, noting that the two countries, like the rest of Latin America, are living in democracy and undergoing a process of opening up to the international community.

Frutos noted that all the Latin American governments have been democratically elected and that economic integration should now be started through agreements, accords, and initiatives like the so-called Southern Cone Common Market, which is scheduled to begin operating in 1995.

Frutos held his first working meeting with Silva Cimma at the Foreign Ministry in the afternoon. He emphasized the affinity between Chile and Paraguay, which will allow both countries to promote bilateral relations, especially in the commercial area.

[Begin Frutos recording, in progress] ...general trade with Paraguay, and we will see all types. We are analyzing the exportation of fruit in return for other Paraguayan products that can be sold in Chile. We want to have more fluid commercial relations. [end recording]

Frutos is due to meet with President Patricio Aylwin at La Moneda Palace at 1730 today.

Antidrug Agreement Signed

PY1409220590 Santiago Radio Chilena Network in Spanish 1700 GMT 14 Sep 90

[Text] Chile and Paraguay this morning signed an agreement to increase cooperation in the struggle against drug trafficking. The document was signed by Chilean Foreign Minister Enrique Silva Cimma and by his Paraguayan counterpart Alexis Frutos Vaesken, who commented on some details of the agreement to journalists.

[Begin Frutos recording] The concrete measures involve reciprocal help and the exchange of information between the organizations that repress drug trafficking. [end recording]

The minister said that the agreement reflects the desire of Latin American countries to repress international drug trafficking.

Frutos reported that this afternoon he will meet with President Patricio Aylwin and that he will meet with Prochile [Chilean Institute for Export Promotion] personnel.

Navy Buys British-Made Missile Frigate

PY1709014290 Madrid EFE in Spanish 0027 GMT 16 Sep 90

[Text] Santiago, 15 Sep (EFE)—EL MERCURIO reported today that, according to Rear Admiral Oscar Vidal, commander of the First Naval Zone, the Chilean Navy has purchased a "Leander"-class missile-launching frigate from Great Britain. The ship served in the Royal Navy as the "Achilles."

The frigate was built in the Yarrow and Company shipyards in Scotstoun, Glasgow, and commissioned in the Royal Navy in 1970.

The frigate has a displacement of 2,962 tons. It is equipped with "Seacat" air-to-air missiles and 115-mm cannons and can reach speeds of 28 knots.

Admiral Vidal said that the frigate, which will be named "Zenteno" because of its high speed, "is necessary for the surveillance and defense of the exclusive economic zone (200 nautical miles)."

Colombia

President Gaviria Remarks on Country's Economy

PA1609180590 Bogota Inravision Television Cadena 1 in Spanish 0200 GMT 14 Sep 90

[Part one of an interview with President Cesar Gaviria Trujillo by News Anchor Yamid Amat on the "Caracol Report" interview program; place and date not given—recorded]

[Excerpts] [Amat] Mr. President, what is happening? Why this avalanche of price hikes?

[Gaviria] Undoubtedly, there is a general problem we will have to face, bearing in mind what could happen next year. There have been general price hikes that surpass the inflation rates in the country over the past two or three decades. We will have to adopt a very strict anti-inflation plan toward the end of the year. In the interim, we have had to make decisions which I know have not been welcomed. However, the government has adopted these measures because it needs to correct some distortions and flaws.

I will refer to the last measure which has to do with the increase of electricity tariffs for the middle and upper class sectors. There will be a deficit of $2 billion in the next four years, and it would be unjust to take away funds from health and education to subsidize electricity tariffs for the upper class. I know that these increases are higher than the inflation rate. Adopting these measures is not [word indistinct]; however, it would not be right if we did not correct this situation caused by mistakes of past governments, which of course have no excuse or justification. Had we not made this decision, we would end up doing the same thing we had been doing before, which is taking away funds from other economic sectors and from social investments, simply to subsidize tariffs in sectors that do not need to be subsidized.

[Amat] Up to now, Mr. President, there have been price hikes in fuel and electricity tariffs. Also, an increase in social security quotas has been announced. Will this trend continue, and what other price increases can be expected?

[Gaviria] The two most difficult decisions have been made. These are the increase in the price of gasoline and electricity tariffs for the higher income groups in some cities. Those were the most difficult decisions to be made. We do not expect to make such heroic or difficult decisions as these two in other sectors, other than routine decisions that will probably be made in the future to adjust prices to the inflation level.

[Amat] However, the finance minister announced that on 18 or 19 September, he will propose an adjustment to increase the IVA [Value Added Tax] or sales tax.

[Gaviria] Oh, you mean taxes. Yes, of course. That decision must be made. I want to clarify this. There is great expectation in the municipalities. Senator Jaime

Castro has drafted a bill in which he proposes that IVA funds continue to be transferred to Colombian municipalities. However, the national government cannot keep on transferring funds it needs to the municipalities. We can increase the VAT to compensate for this situation in some way. One of the two points we expect to add to the VAT could go to the municipalities, and the other point would be used to compensate for a reduction of taxes on imported products.

The truth is that the country cannot continue living exclusively on imported taxes. As part of the process of internationalization of the Colombian economy, we have contemplated reducing taxes on imported goods. To reduce taxes on imported goods —which include essential products, capital assets, raw materials, and goods that are important for our economy —we decided to increase the VAT. In other words, while some taxes will be increased, others will be reduced, specifically taxes on imported raw materials and capital assets.

[Amat] However, Mr. President, if the VAT is increased, it will not be paid by the producers. They will transfer it.

[Gaviria] Yes. I must add that there will be a significant reduction of taxes for raw materials and imported goods. I think that the final result will not affect consumers in general. That has been relatively well-distributed and well-balanced. In the long run, what we will obtain in exchange is to be able to internationalize the Colombian economy, which we want to make more efficient. This not only applies to the exports, but imports as well. There should be less discrimination on raw materials and capital goods so that Colombian producers can compete in international markets. For example, if we look at the taxes levied on imported capital goods, one realizes that our industry cannot compete in the international markets partly because taxes on imported capital goods are extremely high.

[Amat] Mr. President, your government has said that its most urgent and principal objective is to curb inflation and that this is the main economic priority.

[Gaviria] First we are making adjustments to the economy.

Of course, afterward there will be a severe anti-inflationary plan. In the meantime, as happens everywhere, we are making adjustments that must be made before applying the severe anti-inflationary plan.

[Amat] But what about the measures that have been taken thus far? Will they further increase the cost of living?

[Gaviria] They will have an effect on the cost of living, but the measures were inescapable. As I said previously, we could not ignore that responsibility. We know that this year we inherited a situation in which the cost of living exceeded the normal levels. We are preparing to implement a severe anti-inflationary plan in the coming year, because what happened this year was rather inescapable.

[Amat] These economic adjustment and balancing measures—plus the measures that are being prepared to reduce public spending and confront the fiscal deficit—will lead Colombia to have an inflationary rate of how much next year, Mr. President?

[Gaviria] The finance minister hopes that we will be able to reduce inflation in the coming year to around 20 percent. I hope that we will be able to do so.

[Amat] How will the austerity plan be implemented? What will be done?

[Gaviria] Well, there are many things that can still be done in matters of public spending. In fact, the fiscal deficit is increasing beyond desirable limits. Therefore, more strict measures will have to be taken in terms of public spending. More strict measures will have to be made in allocations, particularly in the decentralized sector, so that not only the ministries will have the burden of public spending restrictions throughout these years. The creation of the CONFIS [not further identified] to submit the decentralized sector to much more rigid regulations in matters of spending is an achievement of the past budget statute. I think that if we apply it strictly, we will be able to contain public spending much more than we have thus far.

[Amat] Will this fundamentally affect public investment?

[Gaviria] No, I would say that the controls have to be made on public spending and not on investments. The idea is not to affect public investment, but to affect what represents an operational cost. Both President Barco's administration and President Betancourt's administration were strict. However, there were not enough instruments for the decentralized sector. Now these instruments exist, and we will apply them. [passage omitted]

[Amat] Some say that these measures—such as the measures on fuel; tariffs; and the initial privatization of some services, telecommunications, and ports—have led people to say that Colombia is in the hands of the International Monetary Fund and that it accepts impositions from international organizations, such as the World Bank. Some say that this is all just to try to open the door again to international credit. Is that true?

[Gaviria] No, Yamid, I think that it is strictly untrue. In the first place, the IMF is not imposing any restrictions on Colombia. We have normal relations with the IMF. The IMF is not lending us resources, and we are not knocking on its doors. Therefore, there are no restrictions of that sort.

Of course, there are some restrictions on loans from the World Bank. However, we cannot say that we are making those decisions, because they are being imposed on us, but rather because we believe in them.

I referred to all of these issues during my campaign. Naturally, I do not believe that the country can launch into an indiscriminate policy of privatizing public entities. That has many limitations in Colombia. For one thing, the biggest problem the Colombian state has is not so much the fact that it is very big or as large as other Latin American countries, but rather that it is inefficient. What we need to do here is correct the inefficiency of the state, rather than have a gigantic state that will not even allow us to breathe.

Other countries do a lot of privatization because they have much to privatize. We are fairly restricted here, and there are just a few things we can do. For example, we must make our state more efficient and improve the public health sector, which must be decentralized.

That is what we have tried with the telecommunications service. More than privatization, we have sought to increase competition among state institutions. There must be some competition. That is the problem with monopolies. Although sometimes they are large and profitable, if there is not any competition, the consumer usually ends up losing. The fact that an institution belongs to the state does not mean the consumer is protected.

[Amat] You said in your inaugural speech that economic modernization makes it necessary for labor legislation to be more flexible to make our producers more competitive. What does more flexible labor legislation mean?

[Gaviria] More flexible labor legislation means preserving many of the current labor laws, but there must be some alternatives. Next week we are planning to present a draft labor law to Congress. Some people have said that we are planning to issue laws according to special powers. Most of the changes will be substantial ones and will seek to make labor legislation more flexible. There are plans to establish a work week of less than 48 hours; in exchange, we want to make the work schedules more flexible, and working double shifts would actually be legal. There should be alternatives to hiring more Colombians for productive activities. Not only is the high cost of living a great problem in Colombia, but there is also unemployment.

[Amat] Reducing the work week from 48 hours to I do not know how many...

[Gaviria, interrupting] To 36 hours. But wait, that is only a hiring alternative. We are not going to modify everyone's working system, but the enterprises and workers will be able to create hiring alternatives. I think that it will be interesting to see the hiring alternatives. Instead of having a 48-hour work week, with all the extra payments for day and night shifts and Sunday premium pay, we could have the alternative that people could be hired for 36 hours a week, but with greater flexibility regarding shifts. There will also be greater flexibility in freely negotiating with the enterprises.

[Amat] Could this alternative be considered a means for fighting unemployment?

[Gaviria] I would say that this would have important effects on unemployment.

[Amat] [Words indistinct] when you referred to the labor law. We will seek mechanisms for agreement among the workers, the state workers, and we will make an overall reform to the labor laws seeking to lift some barriers, and so forth. What barriers are you planning to lift, and in which direction are you planning to aim these labor laws?

[Gaviria] Well, we have very rigid labor laws that do not take into consideration the social security system. We must build a more flexible system and protect the rights of the workers. For example, I do not believe that he who has acquired certain rights because he served 10 years in a company should be deprived of any rights.

However, the problem with those who have not served 10 years is that they get fired before they complete the 10 years. That is what is happening here. So what good does that law make? Just so that people will be fired. It is not protecting workers, but rather getting them fired.

Anyone who has acquired some rights should preserve these rights. For those who have not acquired their rights, the healthy thing would be for them to have the opportunity to work for 20 or 25 years in a comoany, without getting fired before 10 years. That law is not really protecting the workers but is severely affecting their rights.

The same thing happens with many other provisions of the labor code. They must be changed. For example, people are getting double severance pay for dismissals. That is, they are getting their severance pay twice. No one is taking away severance pay, but double compensation is something else. We must change this practice where one can reiceve payment for dismissal and then return and obtain full right to severance payment based on new salaries. This is seriously affecting the larger and older companies.

It is necessary to change this policy. The severance pay will not be eliminated, but this double compensation must be eliminated. Of course, it should be possible to continue to demand severance pay for dismissals, but not the double severance pay, which begins again after the payment for dismissal has been collected because this practice severely affects large enterprises. In addition, we must protect the working class by creating greater trade union freedom. We should comply with the international ILO [International Labor Office] commitments. I agree that we should progress in this direction. We should authorize strikes in many nonessential public service enterprises. We should amend the Constitution to meet these objectives. We should create an unemployment insurance system financed with the interest from the amount to be paid as compensation for dismissals.

There must be a balance in the things that trade unions have for a long time regarded as restrictions or less convenient legislation for them, although such legislation proves more convenient for the country. This balance should permit the development of trade unions in Colombia. Our legislation is gradually resulting in less than 10 percent of the workers becoming trade union members. I think this is undesirable. We should adopt procedures to encourage the workers to become labor union members and promote collective negotiation in Colombia. By including everything in the Labor Code, we have precluded collective negotiations from being as abundant as they can be. There should be room for negotiations between workers and employers. Our legislation is leading less and less Colombians to become labor union members instead of the other way around. I think this is undesirable.

[Amat] [Words indistinct] that an unemployment insurance fund will be created, financed with interest from the amount to be paid as dismissal compensation. How would this operate?

[Gaviria] Basically, the unemployed person would receive some monetary assistance for, say, six months, in accordance with an established system. This would enable him to look for a job without becoming desperate. I think this could be an important improvement in the workers' present situation, when they are being fired by the enterprise. I think this can be regulated and financed. This would be basically a limited unemployment insurance system designed to assist those who lose their jobs, not for the currently unemployed. Anyway, it would be an important step ahead. This insurance, however, would not represent full coverage for the rest of the unemployed worker's life, but for a number of months so that the worker can look for another job.

[Amat] A fund financed with interest from the amount paid as dismissal compensation. How would this operate?

[Gaviria] This would be an insurance basically financed with the interest on the amount that enterprises pay to their workers as unemployment compensation. I think in this way we could expand the benefits that workers receive and thus find a source of financing so at any time the worker is laid off, he can receive monetary assistance for a number of months until he can get another job.

[Amat] Mr. President, you will be traveling to Mexico the day after tomorrow. What are you going to do in Mexico?

[Gaviria] This visit has been pending since I was president-elect. Mexico is particularly interested in having close relations with Colombia, relations which would enable the two countries to discuss energy, which is so important. Mexico is interested in our coal and hydroelectric energy. This is a topic basically oriented to the future. Mexico is interested in both coke-producing and noncoke-producing coal and finding alternatives for Mexico's energy consumption. We are also interested in coordinating our actions in the Caribbean more closely. In truth, Colombia has done poorly in this field in the past. We have virtually relinquished our presence in the Caribbean to Venezuela and Mexico. We have commitments and a presence to maintain. I think we will do it in coordination with Mexico and Venezuela. We will create what has been called The Three—Colombia, Venezuela, and Mexico—to handle matters dealing with the Caribbean. We also expect cooperation from the Mexican Government to examine this new topic of trade relations with the United States. Mexico has progressed much toward a free trade agreement with the United States. Mexico has been the main beneficiary of the initiative to gain access to the U.S. market with lower tariffs, even with no tariffs in a number of instances. We have demanded to be included in the Caribbean initiative and have some hope of being included in it. We have also expected that the Andean Initiative proposed by President Bush can be developed fully. I think the talks with Mexico will prove to be particularly fruitful to better outline our aspirations and take advantage of Mexico's experience. [passage omitted]

Drug Lord Suspected of Holding Reporter Hostage

PA1509032290 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Sep 90

[Italicized passages are recorded]

[Text] Concern over the fate of reporter Diana Turbay Quintero [daughter of former Colombian President Turbay Ayala], who left Bogota three weeks ago to interview ELN [National Liberation Army] leaders, has increased because of a theory that Medellin Cartel chief Pablo Escobar Gaviria may be holding Turbay and her news crew.

Is Pablo Escobar Gaviria holding Diana Turbay Quintero and her news crew? At least the newspaper EL TIEMPO thinks so, based on the transcript of a conversation intercepted by an unidentified ham radio operator, which it published today.

[First unidentified speaker] *We are holding the little girl, and I need to talk to them.*

[Second unidentified speaker] *That is not advisable for our group.*

[First speaker] *Do not worry, but keep the important man's daughter for me there.*

[Second speaker] *Keep in mind that this can bring problems to the organization.*

[First speaker] *Do not worry, I do things right.*

According to reports by authorities we questioned, this tape recording could not be referring to Diana Turbay but to Miss Ana Eugenia Fernandez Jaramillo, a student at the Administration and Finance School in Medellin and a granddaughter of Liberal Party patriarch Gabriel Fernandez, who may be the important person mentioned

in the tape. The young woman was kidnapped some time ago in Antioquia Department and released five days ago. Others tend to think that a splinter group of the ELN could have sold the reporter to the Medellin Cartel chief. The authorities have not confirmed this report.

[Reporter] *Has former President Turbay Ayala asked you to help find her?*

[Defense Minister General Oscar Botero] *So far the Army has not had any contacts with them. However, we have had contacts with other relatives. It is not appropriate to go into details.*

The ambiguity of the reports on the whereabouts of Diana Turbay Quintero and her news crew drove her family to issue a communique, which is read here by Alejandro Montejo, the Turbay Ayala family spokesman and "Cripton" newscast director.

[Montejo] *Since more than a reasonable period of time has elapsed without confirmed reports on the situation of Diana Turbay and her companions, our concern is justified and forces us to bring this case into the open. This situtation has gone beyond the normal time span that we think her news work required, and it even exceeds the time limit estimated by the persons who made the invitation.*

We are reluctant to think that the good faith of Mrs. Turbay and her crew was deliberately misplaced. The "As of Today" newscast is still confident its director will return, together with the news crew that is sharing this plight with her.

Gaviria Comments on Convention, Missing Reporter

PA1709033190 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 17 Sep 90

[Text] This morning, President Cesar Gaviria strenuously emphasized that Colombia will only ratify the Vienna Convention when the drug-consuming countries prove their willingness to struggle against drug addiction. President Gaviria made these statements before leaving on a short trip to Mexico.

President Gaviria also added that the disappearance of Diana Turbay is beginning to look like an abduction.

Before departing from the Catan Military Base in Bogota, President Gaviria said that Colombia will not ratify the measures agreed upon in the Vienna Convention, which calls for economic reprisals against drug traffickers and the confiscation of their properties, as long as the primary drug-consuming countries do not to ratify the agreement and commit to abiding by their obligations.

[Begin Gaviria recording] Those countries have not yet made that decision. Therefore, we do not think it is sensible for Colombia to take a step that the main industrialized and drug-consuming countries should be taking. We want evidence from the international community before we ratify the Vienna Convention. [end recording]

As for the disappearance of Diana Turbay de Uribe, daughter of former Colombian president Julio Cesar Turbay Ayala, and a group of reporters, President Gaviria said that this action it beginning to look like an abduction.

[Begin Gaviria recording] She is obviously being held against her will. We are investigating to find out more about the way in which she left Bogota. We trust that she will return safe and sound. [end recording]

The Colombian president's two-day visit to Mexico City is aimed at strengthening the Group of Three, Venezuela, Mexico, and Colombia, and its foreign policies. President Gaviria will meet with his Mexican counterpart President Carlos Salinas de Gortari to promote the unity of economic policies and technological cooperation between the two countries.

Decree Asks Judges To Name Drug Traffickers

PA1509014990 Bogota Inravision Television Cadena 1 in Spanish 0005 GMT 15 Sep 90

[Text] The Colombian Government issued a new decree under the state of siege today.

Beginning today, the judges who receive confessions from drug traffickers wanting to surrender to Colombian justice to obtain reduced sentences should immediately report the names and identities of those who confess to the General Investigation Directorate and the Attorney General's Office.

This measure is aimed at ensuring the safety and human rights of these people.

Quintin Lame Rebels Agree to Demobilize

PA1609190990 Bogota Inravision Television Cadena 1 in Spanish 1803 GMT 16 Sep 90

[Text] The Colombian Government has struck a new agreement on the demobilization of a subversive organization, the pro-Indian Quintin Lame group. This group will also set up a special field camp where it will surrender its arms. The agreements were announced this morning.

The government and the guerrilla movement agreed on a unilateral cease-fire in the past few hours. The pro-Indian group, which operates in Cauca Department, agreed to establish a cease-fire and stop all subversive activities. The group wants peace, although it has expressed disagreement with the proposal for a constituent assembly and has voiced its determination not to participate in it. In the next few hours, the government will consider demobilization procedures so that close to 150 rebels can return to civilian life.

[Begin Presidential Adviser Jesus Bejarano recording] The Quintin Lame group is willing to continue talking with the government. Although the group disagrees with the proposed constitutent assembly, the rebels are willing to demobilize and return to civilian life. [end recording]

The government said that the talks with the EPL [People's Liberation Army] will continue next week and that the government expects Cordoba Department cattlemen to report on any failure to comply with the accords reached with the Quintin Lame guerrillas.

Peru

World Bank Payments to Resume 1 October

PY1409151890 Madrid EFE in Spanish 0628 GMT 14 Sep 90

[Excerpt] Lima, 14 Sep (EFE)—President Alberto Fujimori said last night that on 1 October Peru will resume payments on its debt to the World Bank, which totals nearly $600 million.

Fujimori received Shahid Husain, World Bank vice president for Latin America and the Caribbean [name and title as received], at the Government House yesterday and held a meeting that he described as "stimulating and encouraging." Fujimori made this announcement during a news conference at the University of Lima, where he was attending a forum sponsored by the Human Development Institute. Fujimori said he and Husain discussed the conditions "that will lead to a normalization of relations between Peru and the World Bank."

The previous Peruvian administration headed by Alan Garcia had restricted payments on the Peruvian foreign debt, which amounts to $19 billion, and practically made no payments at all. Peru therefore stopped getting credits from the IMF, the Inter-American Development Bank (IDB), and the World Bank.

Fujimori stated that the normalization process will allow Peru to resume payments to the World Bank as of 1 October, but "to pay for costs up to a certain date, in a manner we consider to be moderate."

He added that Husain told him he could manage to get some countries to finance part of the $600-million debt, although "not necessarily the total debt."

Fujimori also said there was a possibility of carrying out new negotiations with the United States on an agreement for the supply of weapons for the struggle against drug trafficking in the Peruvian jungle area, although he is seeking to extend this support to the struggle against terrorism. [passage omitted]

Fujimori Views Land Decree, U.S. Military Aid

PY1409183490 Lima Television Peruana in Spanish 0100 GMT 14 Sep 90

[Excerpts] Prices for fertilizer, insecticide, and fungicide will be reduced, and the Agrarian Bank will reopen credit for peasants. This announcement was made by President Alberto Fujimori in a public act through which he enacted a decree creating the rural property registry.

Speaking to peasants at an agricultural cooperative in the Chillon Valley, Fujimori said that the new decree creating the rural property registry is revolutionary because it will assign land titles to 90 percent of the farmland over five years as well as create new credit for peasants.

[Begin recording] President Fujimori arrived at the agricultural cooperative with Agriculture Minister Carlos Amat y Leon and Hernando de Soto, president of the Freedom and Democracy Institute. The crowd cheered him and tried to shake his hand. Speaking to the crowd, Fujimori said that the act has revolutionary significance for national agriculture.

[Fujimori] Yesterday I signed the decree creating the rural property registry. With this decree we are bringing within the grasp of all peasants an essential element to which they have never had access in the history of Peru: the right to own property. This act represents a profound revolution for the agricultural sector of our country. You all know that only 10 percent of the farmland in Peru is registered with titles; the remaining 90 percent of farmland occupied by peasants, especially in the poorest areas, has no titles. Without land titles peasants cannot have access to credit. They are also subject to never-ending lawsuits and abuses by people who manipulate the law for their own benefit. [applause]

The country's peasants now have a real chance of having their land recognized and protected the way they want, quickly and effectively. By implementing the rural property registry we are carrying out two profound revolutions without precedent in the history of Peruvian agriculture. The first revolution is represented by the rural property registry, because it will turn peasants into real owners of their land before the end of my presidential term. In almost 170 years of republican history, only 10 percent of the farmland has been registered. We can now extend this right to the remaining 90 percent of unregistered land. [applause]

The second revolution puts an end to the old system by which government leaders decided how peasants should own land. As of now the ones who will decide are those who have the land and work on it. The right to own land cannot be a political and bureaucratic decision. How to be a landowner and how to work the land will from now on be decided by the peasants themselves. [applause]

The implementation of the rural property registry does not impose any business or land ownership model. There will be no restrictions on peasants deciding what is best for them because this is the way to create a strong and

free social market economy in the agricultural sector. The new registry system breaks all the complex forms of the past; it will function with forms that are simple to fill out instead of the old public notary system. The registry accepts as evidence of land ownership and possession the documents that peasants use every day and recognizes the authority of statements by neighbors, production organizations, and water supply boards. This legal body, which was created by peasants and is respected and shared by everyone, is the basis of the new system.

Additionally, the new registry has been decentralized to the regional level. It will have a central office and several other offices in every region according to the needs of the population. By recognizing agricultural property, we are creating the conditions for a new state and for a new form of relations between the state and the people, in which the state recognizes the aspirations and rights of every person.

It is also a basic step for the reactivation of our economy, following the necessary measures we were forced to implement due to the crisis affecting the country. These measures are already achieving their first results through the stabilization of prices. With the right to own land becoming a reality, I am calling on everyone to join efforts to overcome our serious problems and to start the great task of agricultural reactivation, development, and economic growth in the entire country. Thank you very much. [applause] [passage omitted] [end recording]

President Alberto Fujimori told reporters that electricity bills for August will be paid in three installments in January, February, and March of next year.

He reiterated that the agreement with the United States will not be signed but noted that he trusts that the observations made by his office and the Armed Forces Joint Command will be resolved by the U.S. Government. [passage omitted]

[Begin recording] [Reporter] Why did you make the decision not to sign the military aid agreement with the United States?

[Fujimori] There were some observations made by the Armed Forces Joint Command and myself, and I hope these observations will be resolved. For example, the agreement indicates that its single purpose is the struggle against drug trafficking, but in that area everyone knows that the problem does not only involve drug trafficking but also terrorism. We cannot be restricted to a single aspect.

[Reporter] Is there a possibility of reaching a complete agreement at the government level in the next few days?

[Fujimori] On the agreement?

[Reporter] Yes, or is it that there is definitely no agreement with the U.S. Government?

[Fujimori] The U.S. ambassador initially indicated that the last day for signing the agreement was 7 September, but I hope that negotiations like these will not be carried out with very rigid terms. [end recording]

More on Antidrug Agreement

PY1609213090 Buenos Aires DYN in Spanish 0012 GMT 16 Sep 90

[Text] Lima, 15 Sep (REUTERS)—Peruvian President Alberto Fujimori has said that the United States has given Peru until the end of September to sign a controversial agreement on the struggle against drug trafficking. Fujimori made this announcement on the evening of 14 September—the date on which the initial deadline expired—after stating one day earlier that the proposed $36- million agreement should also include aid to battle leftist guerrillas.

He said: "Thanks to President Bush's involvement, Peru still has several days to restate the terms of the agreement." The initial deadline expired on 14 September. The agreement is part of a $160-million aid package through which U.S. officials hoped to promote bilateral cooperation in combating the flourishing cocaine trafficking trade.

Peruvian officials said Bush had phoned Fujimori to explain that he had ordered an extension of the deadline for signing the agreement—which expired on 14 September at the end of the U.S. fiscal year—until the end of September.

Fujimori said: "The deadline for signing the agreement between Peru and the United States on the struggle against drug trafficking has been extended until the end of September.

"The U.S. Government has shown great flexibility so that this agreement may be achieved on the most favorable terms for the two countries."

According to U.S. officials, President Fujimori made this statement after summoning U.S. Ambassador Anthony Quainton to Government House on 14 September to explain the reasons for not signing the antidrug agreement.

Prime Minister Announces Argentine Aid

PY1509161290 Lima Television Peruana in Spanish 0100 GMT 15 Sep 90

[Excerpt] The Argentine Government will donate 4,000 tons of wheat for the social emergency program and open lines of credit totaling $60 million to finance food imports. Prime Minister and Economy Minister Juan Carlos Hurtado Miller made these announcements this afternoon when he returned from Buenos Aires after meeting with President Carlos Saul Menem, Foreign Minister Domingo Cavallo, and other high-ranking Argentine Government officials.

[Begin recording] [Reporter] Are you bringing any good news from Argentina?

[Hurtado] Yes, very good news. President Menem has donated 4,000 tons of wheat to help offset the effects of the drought. We had asked him for wheat some time ago, and the Argentine President has been kind enough to donate this wheat to offset the effects of the drought.

The Argentine president has also opened a line of credit for us, payable over 12 months, to import Argentine grains—mainly wheat. As you know, almost 55 percent of the wheat we consume has been imported from Argentina for the past 10 years. He also expanded our line of credit within the framework of the Latin American Integration Association. Every member country has a quota, a line of credit to buy from the other members of the Latin American common market. Argentina has expanded this line of credit from $25 million to $40 million, or $15 million more. Thus, we have obtained $60 million worth of lines of credit and the wheat donations. [passage omitted] [end recording]

IDB, World Bank Credits Made Available

PY1509132290 Lima Domestic Service in Spanish 1100 GMT 15 Sep 90

[Text] Credits that had been approved but suspended by the Inter-American Development Bank [IDB] and the World Bank will again be available to Peru by the end of the month. This was announced by Economy Minister Juan Carlos Hurtado Miller, who said that the credits will begin to flow in again due to the talks currently being held with these international financial organizations. Hurtado Miller made this statement upon returning from Argentina, where he opened several lines of credit for Peru.

Hurtado on Resumption of Payments

PY1709012690 Lima Television Peruana in Spanish 0100 GMT 16 Sep 90

[Text] Prime Minister and Economy Minister Juan Carlos Hurtado Miller officially announced today that Peru will resume payments on its debt to the World Bank. He made this announcement after meeting with officials from the World Bank, the Andean Development Corporation, and the IDB [Inter-American Development Bank].

[Begin recording] [Reporter] The meeting served to establish the basis for reestablishing Peru with the World Bank. This will help Peru in the second stage of negotiations to activate development projects in the transportation sector. The first payment of about $15 million will be made within the next 35 days. The Peruvian debt to the World Bank is $800 million. The halting of debt payments by the previous administration seriously affected the development of several projects. Some members of the World Bank delegation will stay in Lima to evaluate national economic development. The mission is headed by (Shahid Husain). [end recording]

Further Details Given of Noreiga's Arrest

PY1409215490 Madrid EFE in Spanish 2004 GMT 14 Sep 90

[Text] Lima, 14 Sep (EFE)—U.S. DEA [Drug Enforcement Administration] agents and Peruvian police have started paperwork for the extradition of Eduardo Noriega to the United States. Noriega is the younger brother of former Panamanian General Manuel Antonio Noriega, who is currently under arrest in Miami (United States) on drug trafficking charges.

Eduardo Noriega was arrested on 10 September in a hut in Lurin shantytown on the outskirts of Lima. He had a cocaine shipment in his possession.

The government newspaper LA CRONICA reports today that Peruvian police and DEA agents have been following Noriega for a month. It seems the DEA agents have been following Noriega since he fled Panama in December 1989.

According to the report, Noriega contacted drug traffickers operating in the Huallaga River Valley, in the Peruvian jungle area, after clandestinely entering Peru, and he was preparing to send 10 kg of cocaine to the United States when he was arrested.

LA CRONICA reports that Noriega has revealed the names of his contacts in Peru, and these people are now being sought.

DEA agents will take the drug trafficker to the United States as soon as the extradition papers are ready.

Fujimori Signs Decree To Assist Informal Economy

PY1509124090 Lima Television Peruana in Spanish 0100 GMT 15 Sep 90

[Text] The inflationary process has been contained and is receding. President Alberto Fujimori made this statement at a meeting with representatives of small and medium-size businesses and industries, to whom he promised easy credit to finance production projects.

At the meeting at government palace, accompanied by Council of Ministers President Juan Carlos Hurtado Miller, Fujimori signed a decree that simplifies procedures for registering informal trade and industrial organizations.

The president and the Council of Ministries decree:

Article 1. A modification of the procedure for registering informal businesses is approved. The text of the regulation and annex are part of this decree.

Article 2. This decree will come into force 30 calendar days after the date of its publication.

Article 3. This decree will be cosigned by the president of the Council of Ministers.

Issued at Government House in Lima on 14 September 1990.

PRC Offers Andean Group Satellite Services

PY1509131690 Lima Domestic Service in Spanish 1100 GMT 15 Sep 90

[Text] PRC Foreign Minister Qian Qichen began talks with the board of the Cartagena Accord to put regional communications satellites in orbit. If the Andean group is interested in putting its own communications satellite into space, the PRC can provide quality services and competitive prices, Qian Quichen said.

(Ivan Gavaldon Marquez), coordinator of the Cartagena Accord board, stressed that Qian Qichen's visit took place within the new framework of increased economic and cultural relations that marks the Andean Group's reactivation process.

Fujimori Pardons Prisoners Awaiting Sentence

PY1609035090 Lima Television Peruana in Spanish 0100 GMT 16 Sep 90

[Excerpt] President Alberto Fujimori has signed a supreme decree through which persons awaiting sentence will be able to take advantage of a pardon, which was previously reserved only for those who had been sentenced.

He signed the decree during a ceremony at San Jorge Penitentiary. The chief of state was accompanied by Justice Minister Augusto Antoniolli and Hernando de Soto, president of Liberty and Democracy,

The chief of state had harsh words for bad policemen, who protect and control the sale of drugs and liquor in the prisons. He indicated that a committee will be charged with evaluating the pardons, which in addition to making the prisons more secure, will prevent health and sanitary problems that the prisoners suffer.

He added that the pardons will not include those accused of terrorism, drug trafficking, homicide, and rape.

[Begin Fujimori recording] [cheers, clapping, whistling, sound of music, and shouts of "Fujimori, Fujimori"]

There is an immense apparatus for administrating justice with hundreds and thousands of officials, but more than 75 percent of the country's prison population, some 14,000 inmates, are under arrest and have not been sentenced up to this day. They are a prisoners and human beings living in a social limbo.

Today is the day for visiting this and other prisons. We all know about the poor treatment that you suffer here because it is known that you have complained of abuse of authority. [applause and shouts of "good, good"] There are many complaints about ill-treatment and abuse of authority that we are not going to tolerate, because, lady and gentlemen citizens, relatives, those who have committed crimes also have human rights, and they are Peruvian.

Consequently, as president it is my job to defend them. [clapping, shouts of "viva"] But I also want to take advantage of this opportunity to to notify the bad elements of our National Police, who are a minority and have a well-established business of selling drugs and liquor in the prisons. [clapping, shouts of "good, good"] I tell them that this is not a [word indistinct] of crime nor a private inferno; it is a state detention center, where those who have committed crimes come to readapt themselves.

But it now so happens that the petty criminal becomes a hardened criminal, and the bad policeman is a criminal with uniform and authority; these gentlemen have to go. [clapping, hurrahs, shouts]

The indifference that exists toward the lives of the prisoner in all levels of the judicial branch is the product of the moral decomposition that in this and other institutions is the result of the irrational exercise of power. [applause, shouts]

Please excuse me if I speak frankly, but I believe that it necessary to get rid of the habit of scheming and speaking behind people's backs if we want change in Peru. With the truth I do not offend and have no fear. [applause].

Although traditionally the right to pardon has been granted to those who have been sentenced—in other words, a pardon for those who have been sentenced—there is no legal impediment to granting it to those who have not been sentenced. [applause, shouts of "Fujimori, Fujimori"]

My government wants to make it very clear that with this decision it acknowledges the compentence and attributions of other branches of the state. My government is acting within the law and under the umbrella of the most sincere sentimient of humanity and solidarity for he who is unjustly suffering imprisonment and degradation.

It is our concern that the right to pardon be strictly granted to those who have committed petty crimes and whose behavior while in prison demonstrates a clear desire to return to society.

Therefore, violent and serious criminal action is excluded from any type of pardon. [applause] The crimes of drug trafficking, terrorism, child abuse, and first-degree murder.

A special technical qualifying committee for the right to pardon will be named so that there will be no abuse and impunity. The committee will make the process of selecting the inmates who can benefit open and above board.

Those who are selected will have a brief and intense period of readaptation in order to return to society. [applause]

I call on the respective branches of government to participate in this new penal and penitentiary policy that today, like the right to pardon, we have started to implement in the country. [applause]

I am quite sure that the people want true changes [shouts of "yes, yes;" applause]. I hope that the Judicial Branch will make advances so that the people can start to change

their opinion and so that the Palace of Injustice once again becomes the Palace of Justice. [shouts, hurrahs, applause, whistling]

If theirs is the capability of self-regeneration, let it be welcome, and if it does not exist, then you will know that that is democracy; in other words, a government of the people, for the people, and by the people. The total elemination of corruption will be carried out within the framework of the law. [shouts, whistling, applause] [passage omitted]

Uruguay

President Lacalle Announces State Reform Bill

PY1409181590 Montevideo Radio El Espectador Network in Spanish 1600 GMT 13 Sep 90

[Text] A Cabinet meeting ended a few minutes ago. During this meeting a public enterprise bill for the reform of the state was approved.

This announcement was made by President Luis Alberto Lacalle, who presided over the meeting. Lacalle said that it is the most important bill that has been considered by his administration. He said:

[Begin Lacalle recording] I am sure that this was the most important Cabinet meeting of this administration. This opinion is shared by all the political sectors represented in the Cabinet.

Today we approved a bill that will be submitted to Congress tomorrow. This bill will transform our country. During the electoral campaign, all political sectors in one way or another pointed out the need to review the role of the state so that it may operate as an instrument and not as a direct agency, as a friend and not as an enemy, as a source of help and not as an obstacle for the private sector and for the population.

I believe that today we took a major step by approving a bill on which we began to work even before 1 March. I should say that all sectors of the government of National Coincidence [La Coincidencia Nacional—name given to the coalition made up of Lacalle's ruling Blanco Party and the Colorado Party] who are represented in the Cabinet have given their support to the main guidelines of this bill.

Congress may obviously improve, correct, or expand this bill. I should say, however, that all sectors of the National Coincidence agree on the essentials of the bill. The bill has the free, enthusiastic, and patriotic commitment of major Colorado Party leaders Dr. Julio Maria Sanguinetti, Dr. Jorge Batlle, and Mr. Jorge Pacheco Areco, with whom we held talks prior to the creation of the coalition, and of all Blanco Party sectors who are represented in the Cabinet. This shows that there is a solid front and an absolute political coincidence on the essentials of this bill.

The exact details of the bill, which has not undergone major changes, will probably be released this afternoon. I would like to convey today to the people that the bill marks the beginning of a process of true, deep, and broad change that can transform the life of the population.

I invite you all, regardless of your work or the intensity of your interest in our country, to join a public debate on this issue, without preconceived ideas, without a conservative spirit, and without the idea that the bill will really do nothing and change nothing. This is the change that all political sectors announced before the election.

I should therefore tell the people that, accompanied by the vice president, today I proudly presided over a cabinet meeting in which all the ministers approved a bill on public enterprises that, I reiterate, will represent a major change in the life of our country. [end recording]

Thousands of Military Reductions Planned

PY1509213090 Madrid EFE in Spanish 1513 GMT 15 Sep 90

[Text] Montevideo, 16 Sep (EFE)— Defense Minister Mariano Brito reported today that, according to the new natioal budget draft bill studied by congress, some 6,405 Armed Forces positions will become vacant in the next five years, and the officer and lower ranks will be reduced by 10 percent.

The policy for reducing the number of military, which grew excessively during the dictatorship that governed the country between 1973 and 1984, is the continuation of a plan that began in 1985 when the country returned to democracy.

Minister Brito said that the reduction will be made through the elimination of vacant posts and a ban against filling new vacancies, thereby avoiding the unemployment of many people.

Brito said that the current Armed Forces vacancies are those reported to congress in the draft bill of the national budget for the next five years. There are about 6,405 vacant positions, which means they will all be eliminated. To this figure we must add the elimination of 10 percent of the military positions during the same period, the minister added.

However, the current government must face the same problem inherited in 1985 by the previous administration: the excessive number of high-ranking officers, especially colonels.

This excessive number of high-ranking officers—the result of the military regime's promotion policy —will have to be reduced by 30 percent to balance the proportion of officers and subordinates.

The current national budget—contrary to what was announced by official sources—does not take into consideration the plan to reduce the number of Armed

Forces slots for colonels. The subject will be studied by a government committee together with Armed Forces experts.

There are 455 colonels and Navy captains, of which 274 belong to the Army, 98 to the Navy, and 76 to the Air Force. [numbers as received]

The former administration headed by Julio Maria Sanguinetti, the first elected president after the military regime, reduced the number of military by 2,555 in relation to 1973, before the military coup, and by 5,565 since the recovery of democracy.

The budget of the former government reduced the number of active-duty members of the Armed Forces by 20 percent in the Army, 14 percent in the Air Force, and 16 percent in the Navy.

The Sanguinetti administration reduced the number of lower-ranking military to 24,275 men, in comparison with the 29,839 there were during the de facto regime, in a population of 3 million inhabitants.

When the dictatorship ended, the military totaled 37,540 members, including the medical corps.

According to official sources, military expenses were reduced by 65.4 percent, and maintainance expenses for materiel were reduced from $2.1 million to $1.2 million during the first year of democracy.

Uruguayan military expenses jumped from 2.1 percent of the GDP before the coup to 3.4 percent in 1981 during the dictatorship.

During the first eight years of the military regime, military expenses amounted to 69 percent of the Uruguayan foreign debt, which at that time totaled $3.129 billion.

The Defense Ministry budget grew by 81 percent between 1970 and 1978 (fifth military government), while Interior Ministry expenses increased 23 percent during the same period.

When the military stepped down from power, they left 65 military attaches in embassies abroad, a number that was subsequently reduced to 30.

The Uruguayan foreign debt grew from $700 million in 1973 when the military coup took place to $5.7 billion when the dictatorship ended.

Mexico's Salinas de Gortari To Visit 8 Oct

PY1509013990 Madrid EFE in Spanish 2259 GMT 14 Sep 90

[Text] Montevideo, 14 Sep (EFE)—Spokesmen of the Uruguayan presidency today confirmed that Mexican President Carlos Salinas de Gortari will officially visit Uruguay on 8 and 9 October.

The Mexican president's visit comes as part of a Latin American trip that will begin in Bolivia and will include Argentina, Brasilia and Sao Paulo (Brazil), Venezuela, and Honduras.

The sources told EFE that De Gortari's visit will "serve to strengthen integration ties and to sign bilateral agreements that are currently being drafted."

The Mexican president will meet with Uruguayan President Luis Alberto Lacalle, and he will visit the headquarters of the Latin American Integration Association (Aladi), of which Mexico is a founder member.

Guyana

UN Asked To Send Electoral Monitoring Team

FL1509175490 Bridgetown CANA in English 1732 GMT 15 Sep 90

[Text] Guyana, Sept 15, CANA—Guyana's opposition Working People's Alliance (WPA) has asked the United Nations secretary general, Javier Perez de Cuellar, to send a team to monitor Guyana's coming general election.

"The developments in ... Guyana, as the general elections approach ... give cause for concern to all peace-lovers and all who uphold the right of peoples not to be deprived of the right to choose a government in elections that are genuine, free and fair and held in an atmosphere free from fear," the WPA said in a letter to the secretary general.

The five-page letter signed by Moses Bhagwan, Eusi Kwayana and Rupert Roopnaraine—co-leaders of the party—came in the midst of a growing opposition campaign for as many as 2,000 overseas observers to monitor the elections which must be held by the end of march next year. The government says that to bring in so many observers would be tantamount to running a circus—something it was not prepared to do. It has, however, invited the Commonwealth to send observers a Commonwealth planning mission preparing for this weekend wrapped up its five-day visit this weekend.

In their letter to the UN secretary general, the WPA co-leaders alleged that a climate of fear was being created by the ruling People's National Congress (PNC). They referred to a recent incident in which the PNC said one of its activists was badly beaten by supporters of the opposition People's Progressive Party (PPP)—an allegation denied by the PPP. They referred also to treason charges slapped against three PPP activists during anti-budget strikes in 1989, noting that while the preliminary inquiry was completed in August, 1989, the trial has not yet opened.